

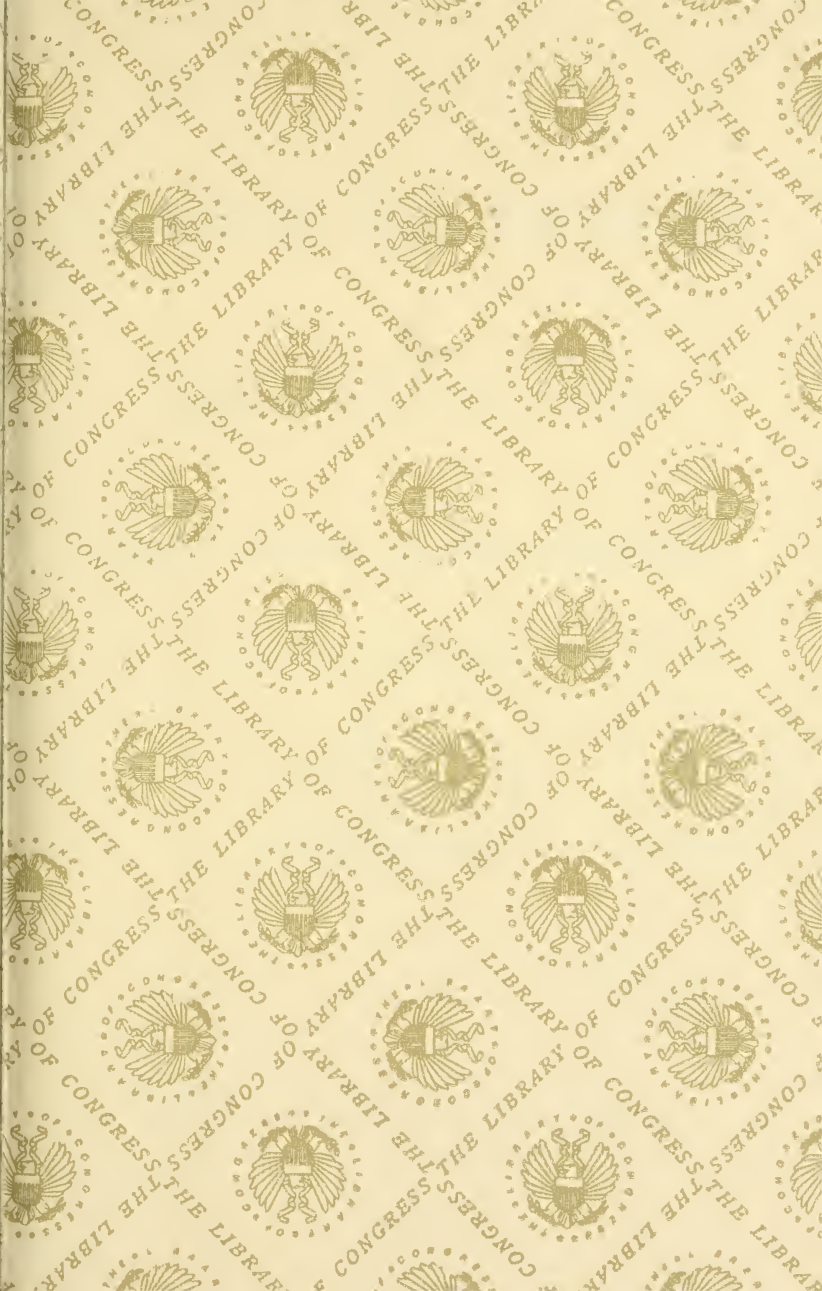
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A  
Guide to the Right Understanding  
OF  
OUR AMERICAN UNION;  
OR,  
Political, Economical and Literary Miscellanies.

DEDICATED TO THE YOUNG MEN OF AMERICA:

*Amended* BY  
A. B. JOHNSON,

AUTHOR OF "AN ENCYCLOPÆDIA OF INSTRUCTION; OR, APOLOGUES AND BRIEFS ON MAN  
AND MANNERS." ETC., ETC.

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## PREFACE.

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To no people is political knowledge so important as to us—each citizen being both sovereign and subject. Our duty as subjects, we, like the subjects of other countries, are taught by legislative enactments; but our duty in assisting to enact laws and form written constitutions, we can learn only by study; especially as laws desirable for a State may be fundamentally improper for the Federal Government. This conflict of proprieties is misunderstood universally by foreigners—their pre-existing notions of nationalities mystifying our Federal limitations—while the same difficulty, existing ratably among ourselves, disturbs the fellowship of our thirty millions of inhabitants, and endangers the union of our States. The present publication discusses most of those governmental peculiarities that our progress has shown to be disturbing, guiding us thus, by a practical detail, to a better understanding of our polity than could any treatise on Government, written systematically in abstract general propositions. The essays assume a partisan guise, because conflicting governmental notions are the elements of our party differences; but the

writer was never the disciple of any party, and hence never wrote for victory, but for the elicitation of truth, while much in the articles that seems partisan, the author wrote before the advocated tenets were adopted by any party. Territorial self-government, for instance, on which Mr. Buchanan has been elected President, is advocated in the piece entitled "The Wilmot Proviso," but the author published it under his own signature, August 24th, 1847, being several months before the first advocacy of the principle by Senators Cass and Dickinson, whose conspicuous position arrested thereto partisan attention. The pieces are reprinted substantially as they were originally published in various periodicals, when the respective topics engaged public attention; but they are arranged in an order dictated by the topics, the papers relating to the General Government being placed before those relating to the State and the Miscellaneous articles being grouped together after the Political; and they are all now respectfully dedicated to the young men of America as aids to reflection.

UTICA, *New-York*, 1857.

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# PART I.

## OF THE GENERAL GOVERNMENT.

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### CHAPTER I.

#### THE NEGRO QUESTION AND TERRITORIAL SELF-GOVERNMENT.

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#### THE WILMOT PROVISIO.\*

WE have all heard that Napoleon relinquished an ardently desired gratification, because a cobbler would not sell a small piece of ground that was essential to the contemplated project:—"Let him keep it," said Napoleon, "as a monument of the sacredness with which the rights of property are respected in France."

The same improbable story has been told of every despot that history has wished to glorify, and the repetition evinces that man everywhere honors a respect for personal rights. Our State desired a discontinuance of the retail traffic in ardent spirits, but our voters said, with Napoleon, Let it remain, as a monument of the sacredness with which personal freedom is tolerated in New-York. So our State abhors slavery, but if Virginia could be despoiled by us of

\* Published August 27th, 1847. Senator Dickinson's resolutions on the same subject, were offered in the United States Senate, December 14th, 1847. Senator Cass's Nicholson Letter thereon was published the same December.

a control over her domestic institutions, and compelled to abolish slavery, our voters would say, Let it remain, a monument of the sacredness with which self-government is respected in the United States. Slavery when thus viewed is not a national reproach, as some people superficially affirm ; but the cobbler's hut, which, while it contrasts sadly with the other parts of our federal structure, testifies only the more unmistakably to the sovereignty of our people in their several communities—sovereign for all purposes, except that no community can domineer over even the weakest of its confederates. Nor are we just to the citizens of our Union when we attribute this liberality to constitutional necessity ; we can attribute it with more truth to public sentiment, for constitutions in our country are only an embodiment of public opinion. Public sentiment, therefore, in favor of self-government, is the ultimate reason why our Federal Constitution leaves every State to be sovereign over its own domestic institutions ; and by the same reason, the people of every territory within our Union are morally entitled to a like sovereignty, even should the Constitution, by a harsh construction, permit such sovereignty to be abridged. Praise where you can and censure only where you must, is an esteemed precept which Congress ought not to parody, by permitting self-government only where they must, and abridging it where they can. To a sensitive mind, the helplessness of a territory, as contrasted with a State, would be a motive for protecting the inhabitants of a territory, rather than for depredating on them. Nothing, indeed, would be more detestable than to refuse self-government to our territorial offspring, after having rebelled from our parent country to obtain the right of self-government for ourselves. In that contest England refused to see anything but the ingratitude of the colonies in withholding aid from her exhausted treasury ; so coercionists, in the present question of slavery,

consider only the ills of slavery, instead of regarding the more fundamental issue, that every community is rightfully entitled to regulate its own domestic relations. To withhold this right from a territory by reason that the liberty may be abused, is an argument as old as oppression, and little befitting a nation whose existence depends on the capacity of man for self-government, and whose experience proves that the dependence is ennobling and safe. Moreover, if self-government is right; if to do unto others, as we would others should do unto us is our duty; if the employment of evil means is unlawful for the attainment of good ends, we are not justified in putting a strait jacket upon the freeman who may remove to our territories, nor are we responsible to God or man for any consequences that may result from the omission.

But we are told, the North never will permit the acquisition of territory which shall be able to tolerate slavery. Nay, all opposition to this fiat is sought to be silenced, by an assurance of its universal favor among virtuous people—just as women are sometimes seduced in France, by being assured that chastity is unfashionable among the polite. But may we not hope something better?—that the North and South united will never permit the acquisition of territory whose inhabitants, flesh of our flesh, shall enjoy less power of self-government than we enjoy; that the North and South united, will demand the neutrality of Congress on the disturbing subject of slavery, and that Congress shall neither establish it nor prohibit it? On this common ground North and South can both stand; and if a tree is known by its fruits, this common ground, which will produce brotherly kindness, tranquillity, and union, is virtuous; while the opposite ground is vicious, that will produce geographical hatred and national debility. Spurious, indeed, is

the virtue which consists in voting self-denials on other people, and denouncing sins that our position disables us from committing. It constitutes the 'taxation without representation that our fathers pledged their honor to resist; and it is akin to the religious mortifications that the Pharisees placed on the shoulders of other men, and received therefor the condemnation of the Saviour. Be ours the better virtue of meliorating each of us his own State or territory, so that our States and territories may provoke each other to good works, by good examples rather than by coercion,—as New-York became the exemplar of railroads and canals, and will become, by her new constitution, the exemplar of general legislation, in place of special privileges that withhold the means of wealth from the poor, to make the rich richer. In such ways even slavery may in time disappear from our empire. Nor let us be driven from this only moral and sure process of melioration, by the artifice reprobated by Washington, that the North and South are antagonists, and that one must be made the Ireland of our Confederacy,—which Confederacy, we are vauntingly told, is so advantageous, that fears of its disruption need no longer deter our communities from aggressions on each other:—We may eat the forbidden fruit and shall not surely die,—we may disregard temperance and revel in intoxication, because we can obtain the means gratis. Nor let us be driven into this false position by the sarcasm, that a Northern man is dough-faced who will not be controlled in his votes by geographical location. Happy is he who is not dough-faced merely, but dough-hearted, when good is sought to be accomplished by evil means!

Finally, politicians agitate the most disturbing questions with a recklessness that induces Europeans to predict momentarily a dissolution of our Confederacy, and induces

Mexicans \* to expect an insurrectionary pronunciamiento in their favor ; for as sportsmen seek game amid dangers, so our politicians will climb to the crater of disunion to catch abolition votes, or descend towards anarchy to catch anti-renters'. To lure the weak, they will stigmatize our soldiers as murderers, and weep over the wickedness of war ; and to catch the generous, they will shout praises to the military chieftain † who happens to be most successful in his onslaughts. Nor need we suppose that such politicians are necessarily void of patriotism. They know that the virtue and intelligence of our people are sufficient to render harmless such otherwise dangerous experiments, and the truth of such reliance will be illustrated in the geographical agitation which we are considering. It will not dis-sever our Union—but not because the South will submit to political degradation, but because the people of our Confederacy know that nothing can be permanent which is not just ; and they are virtuous, and will not force upon any of our communities an inequality that would be unjust.

---

### THE SLAVERY QUESTION.‡

A HATRED of slavery cannot be claimed as the peculiar attribute of any party. All men hate it, unless they are slaveholders ; and many slaveholders hate it, as witness Jefferson, whose 1787 ordinance on the subject Mr. Van Buren's supporters desire to enforce—forgetting that the ordinance referred to the old Confederation, not to the present Union—a difference we will speak of presently.

\* The United States were then at war with Mexico. † General Taylor.

‡ Published August 30th, 1848.

Mr. Van Buren claims also, "that Congress is as powerless to make a slave as to make a king; as powerless to establish slavery, as to establish a monarchy":—all points about which no controversy exists with the supporters of Gen. Cass, who insist farther, that when American citizens remove into California, they carry with them, as their birth-right, a power to legislate for themselves in the matter of slavery, as respects its prohibition and its admission; and that any attempt of Congress to deprive our fellow-citizens of this right of self-legislation is as wrong as the legislative control over Ireland by the British Parliament; and still more unprincipled in our Congress than in Parliament, because such legislation by Congress is without constitutional authority. Shall we then make Irelands of our territories? That is the question between Van Buren and Cass,—the only question, dodge it who can, by confounding it with the notion of Mr. Calhoun, (as erroneous as Mr. Van Buren's,) that the inhabitants of a territory cannot prohibit slavery. This question between Van Buren and Cass, our fellow-citizens of Irish extraction must answer with their votes at the coming election. All of us who sympathize with Ireland must answer the same question; and who will stultify himself by approving in Congress what he denounces in the British Parliament?—who will vote to control the domestic institutions of California, and to prohibit the control thereof by our fellow-citizens after they remove thither with their wives and children?—who will vote to retain a thorn in the heart of Congress, when it may be plucked thence, and transferred to California, where it properly belongs, and where it can rankle without committing the injury denounced by Washington, "of alienating one portion of our country from the rest?"

And here we may note why the Confederation ordinance

of 1787 is unfitted to the existing Union. The Confederation was an Association of States ; but the existing Union is an association of the people. The Confederacy was formed by delegates who acted as ambassadors, and who formed "Articles of confederation and perpetual union between the States of New-Hampshire, Massachusetts Bay, &c., &c.;" and which States ratified subsequently the said articles, as a treaty between independent sovereigns ; but the existing Union was established by "We the People," and it was not to be obligatory till ratified by the people.

The two governments differing thus in their origin are marked with a corresponding difference in their powers. The Confederation mentions the people as incidents only of the States ; the Constitution mentions the States as incidents only of the people. The Ordinance of 1787 partook, therefore, of the nature of the Confederation. The ordinance was a species of treaty between the sovereigns that were parties thereto, and as sovereigns they bound to the conditions of the ordinance their respective subjects. But the citizens of our Union possess rights of their own. "We the People," who made our Constitution, delegated to Congress certain specific powers only ; and fearing that these powers might be construed to include others, "We the People" inserted in the Constitution eight successive articles, enumerating what should be excluded. But even this was not deemed a sufficient security against the known aggressive tendency of power, hence "We the People" inserted Article IX., which says, the rights enumerated in the said eight articles, "shall not be construed to deny or disparage others retained by the people." Still "We the People" were not quite satisfied. We had recently felt that power will forget right, and we were determined to leave no opening through which Congress might steal more

power over us than we had delegated to them; hence Article X. was inserted in the Constitution; and it reserves to the people all powers—not those merely that had been reserved before, but all powers not delegated—excepting only the powers possessed by the States, and the powers prohibited to the States. And to make the matter still stronger, so that their children should not in after times be told that they had lost some of their rights by judicial constructions of the Constitution, by long acquiescence, or by legislative precedent, “We the People,” to whom all these inventions of usurpation were an old story, inserted in the constitution all the modes by which alone the Constitution could be altered, and “We the People” made the alterations as solemn and difficult as possible. Our citizens, therefore, who emigrate from New-York to California, enlarge not by such emigration the power over them of Congress. Congress possesses no more power over the citizen of California than while he was in New-York. If we in New-York can meet together and construct a government for ourselves, and legislate for ourselves on slavery, we can in California, should we all emigrate thither; and every attempt of Congress to hinder us is a usurpation—unless the hindrance be founded on the constitutional clause which empowers Congress “to dispose of and make all needful rules and regulations respecting the territory and other property,”—a clause now admitted to refer to property only, and certainly not to citizens in a territory who live on their own freeholds. \_ Nor is the force of this argument altered by what any of the framers of the Constitution thought when they framed the Constitution; or what the first Constitutional Congress thought, when, in 1789, it re-enacted the Ordinance of 1787;—because after all this, say in 1790, “We the People” amended the Constitution, and

inserted therein all the articles of personal rights and guarantees that we have been commenting on, and which effectually changed the character of the Constitution to an instrument of the strictest possible construction—a change that was the precise object of the amendments.

But the suppression by Congress of slavery involves other difficulties than the mooted constitutionality of the suppression; and other than the injustice of prohibiting people from legislating for themselves; and other than the dissatisfaction which is evinced thereat by the Southern States: though these difficulties are grave in their nature, and cogent enough, we might have hoped to have withheld Congress from legislating about slavery in Oregon, where the people had already prohibited it—evincing thus that even on slavery men contend for triumph more than for principle.

The difficulties alluded to are as follows:—At the organization of our Confederacy Europeans predicted its speedy dissolution, but they are beginning now to investigate the cause of its permanency, and they find the cause in our federative machinery, by which all local questions are left to the local sovereignties—no powers being exercised by the General Government, except such as the States separately cannot exercise advantageously for themselves. Germany is accordingly new-modelling itself after our pattern, as the long sought and just found elixir of national longevity and local contentment. To the extent, however, that Congress assumes legislation over the domestic concerns of any territory, we violate the foregoing vital principle, and relapse (like the washed swine) into the slough of consolidation in which lie buried all the great empires that since the world began have periodically arisen, burst asunder, and sunk. These consequences are as inherent in con-

solidation as sin and death were inherent in disobedience. The consequences are not avoidable by any recreancy of the South in submitting to injustice, nor by amendments of the Constitution which shall legalize in Congress local legislation.

Nor let us delude ourselves by supposing we can compulsorily abolish slavery. Every effort we exert to suppress it, calls into existence a counter effort in others to retain it. We possess, therefore, no alternative but to retain the Union with slavery, or slavery without the Union. But what force cannot accomplish, forbearance may. Slaves were once lawful in New-York, and the writer has owned them in Utica. Had our State been pressed to the abolition of slavery, by persons whose right of interference she denied, slavery might have existed among us now. We are accountable to neither God nor the world for the sins of our neighbors, and the precept was doubtless promulged to enable men to live without the irritation of interference with each other's domestic arrangements. In opposition, however, to this contrivance of God—and which He has impressed on our feelings, and on our muscles, so that a man's limb, when out of joint, can scarcely be righted by the force of many men—abolition interference is pursued among us as a trade; by newspapers for money, and by politicians for votes. Nay, we may safely predict that no doctrine, how wild soever, or pernicious, can acquire many proselytes without suddenly finding itself seized on by politicians, and wrested from the originators. The fathers of abolitionism, who have been statedly set up by their crazed friends for the highest political offices in the State and nation, and stood with their paper crowns upon their heads and straw sceptres in their hands while the elections were in progress, now, when something may be made by the

game, find themselves no longer captains over their own hosts, and scarcely know whether to rejoice or mourn over the suddenly increased importance of their sects. Mormonism and Millerism may yet be in the ascendant, and then their apostles must look well to their flocks; for our politicians are like "the fed horses in the morning," described in the Scriptures, "every one is neighing after his neighbor's" political capital.

With the people alone is the corrective of party morality—nothing needs correction more. Would they see public men consistent, they must make inconsistency unprofitable;—would they preserve the peace of the Union, they must make the promotion of disturbance unpopular. In the keeping of the people are also our national destinies,—not in the virtues of our assumed leaders; just as chastity is in the keeping of women,—not in the forbearance of doctors and sages. We cannot, apparently, so surfeit a man with popular honors and emoluments as to make him reliable. If an occasion offer, he will arise from even his political tomb with the unsavoriness of Lazarus, and advocate Union or Disunion, Slavery or Anti-Slavery, as either promises the means of further aggrandizement,—putting off an old character and assuming a new one with the facility of a stage actor, and with about his shamelessness, when he advertises "the character of Abolitionist, by particular request of friends, and for one time only, by Mr. V. B."

Finally, let the maxim be no longer true, that politics are the madness of the masses for the benefit of the few. The coming election affords the people a glorious opportunity of teaching politicians a lesson which shall make them wiser, if not better; and let us all aid in making the lesson so emphatic and so plain, that even he cannot mistake it who thinks the people in 1844 desired the elevation to the Presidency of Martin Van Buren.

## RESERVED RIGHTS OF AMERICAN CITIZENS.\*

As the organization of Nebraska and Kansas threatens a new agitation of the Wilmot proviso, an inquiry may not be inopportune in relation to the rights of American citizens who reside within the United States, but beyond the limits of any State. State rights have been often investigated, but people's rights remain uninvestigated. The Constitution has, however, not left the people without reserved rights. It declares that "the powers not delegated to the United States, are reserved to the States respectively, or *to the people*." To ascertain, therefore, what powers are reserved to the people who reside beyond the limits of any State, we have only to extract the powers that are "delegated to the United States by the Constitution," and that are "prohibited by it to the States,"—and all other powers belong to such people. The position is so plain that it might be formed into an algebraic equation, and demonstrated mathematically. And here we may note incidentally, that men's notions are vague as to what constitutes a *State*. We usually speak as though a State consisted of a given portion of the earth rather than of the people inhabiting a given locality; and this prevents us from seeing that Congress possesses, in relation to slavery, no greater control over the people who reside in Nebraska or Kansas than over people who reside in New-York. Our exaltation of the soil of a State over the people thereof is analogous to the mistake that exalted the gold of the Temple over the Temple—a mistake which drew from our Saviour the sarcasm, "Ye fools and blind: for which is greater—the gold, or the Temple that sanctifieth the gold?"

\* Published in 1854.

The only pretext for an interpretation differing from the foregoing exists in the constitutional provision, "that Congress shall have power to dispose of, and make all needful rules and regulations respecting the territory or other property belonging to the United States ;" but to construe this as giving Congress power to dispose of and make all needful rules and regulations respecting citizens living on their own lands in any part of the United States, constitutes a laxity of construction at war with common sense. Think of "We, the people of the United States, in order to secure the blessings of liberty to ourselves and our posterity, do ordain" that all of them who shall choose to reside beyond the boundaries of any State shall possess such liberties only as Congress shall from time to time prescribe.

But if our citizens who remove to Nebraska or Kansas carry with them all powers, except those delegated to the United States and prohibited to the States, will they possess the right of sending representatives to Congress? No; the people of Nebraska or Kansas can claim none of the powers which belong to a State or territory till they are admitted as such into the Union. The right of Congress to admit a State, or reject an admission, is, however, essentially different from the right to dictate to a people whether they shall permit slavery or not; the right to admit or reject being placed expressly within the unlimited discretion of Congress, while the power to dictate in relation to slavery is nowhere granted. The distinction in the two cases is highly important to a correct understanding of the people's rights.

But though the admission of any new State is thus within the constitutional option of Congress, the decision is not exempt from resulting consequences, whether we choose to be influenced thereby or not. Our Confederacy is an off-

spring of volition, and the volition which created the Confederacy is mainly the means which have thus far held it together ; and as long as they continue operative, will be adequate to preserve the Union in all future time. Any decision, therefore, in relation to the admission of a State, that unnecessarily prejudices the interest of a portion of the States—more especially any decision that unnecessarily outrages any portion of the States—will weaken the volition towards union that constitutes our most reliable cement. Force, which alone has held together all preceding extensive nationalities, has never rendered such adhesions perpetual ; and our States, whose origin is revolutionary, and who are individually organized as sovereigns, are not likely to deem oppression less bitter than their progenitors.

Such being the tenure by which our Confederacy is united, what means are most efficient to prevent aggression on the respective members ? Tyranny is unfortunately not Russian, nor Turkish, nor Austrian, nor Roman Catholic, nor Protestant, but a concomitant of every majority. The predisposition towards tyranny is so strong in power wherever located, that it needs but an exciting cause to make it burst forth at any time ; and wholly irrespective of the abstract qualities of the exciting cause. If a majority prefer to drink water, they will fine and imprison those who prefer wine and brandy. If a majority profess one creed in religion, they will punish all persons of a different creed. In Hayti, the majority being black, proscribe mulattoes ; and in our country, a majority of the States having chosen to abolish slavery, proscribe other States who choose not to abolish it.

The inherent tyranny of human nature is, therefore, the evil with which our Confederacy will have continually to contend. It shows itself now in the matter of slavery—it

may show itself hereafter in some other form ; and the question most interesting to the perpetuity of our Confederacy is, how the minority can protect itself from aggression. Providence has implanted the remedy in every breast together with the tyranny, and as an antidote thereto—it is resistance. Oppressors may abhor resistance, and attempt to hoot it down ; but power will ever crush its victim to the extent of his sufferance. To resistance alone we owe the admission into the Union, in 1821, of Missouri with a compromise ; and to more resistance we should have had Missouri without any compromise. We may say the same of all that is nationally just in the Acts of 1850. Compromises, which surrender a part for the security of the remainder, can only make the weak weaker, and the strong stronger. Turkey tried the experiment with Russia years since, and is naturally called to try it again. Compromises for the sake of the Union can insure only a lingering death ; for the time will come when the burdens accumulated by conciliation “ will break the camel’s back ;” but resistance for the sake of the Union can preserve us enduringly, by preventing the accumulation of any such burden. How resistance is to be made, and what shall constitute the *casus federis* for its exhibition, I mean not to discuss ; and long may any necessity therefor be distant. I exhibit only the principles of our perpetuity, that, by studying them, our citizens of every locality may enjoy their own domestic institutions in their own way, and be willing to give a like blessed freedom to the citizens of every other locality.

## THE KANSAS-NEBRASKA QUESTION.\*

SHOULD a man on trial for murder offer to prove that the murdered man was a drunkard and an infidel, the court would reject the testimony, it having no connection with the issue, which is simply whether a murder has been perpetrated, and whether the prisoner is the perpetrator; so the demerits of slavery have no proper connection with the Nebraska-Kansas controversy, the issue thereon being simply whether the prohibition of slavery is among the powers granted to Congress by the Constitution.

The constitutional question I intend not to re-argue, but I will attempt to show the wisdom of the constitutional provision which limits the legislation of Congress to specified subjects. And here we must remember that the wisdom of the limitation in all its consequences is the criterion by which it must be judged, not simply its effects on the extension of slavery. Some evil attends every good, and the joys of even the next world are not attainable but at some present sacrifices. The constitutional limitation that prevents the prohibition of slavery in Kansas, shields us from any Congressional enforcement of slavery in New-York. I have lawfully owned slaves in Utica—slaves for life; but we abolished slavery when we desired, irrespective of what Congress thought thereof. We construct railroads and canals despite what Congress may think of public improvements. We hang criminals for murder and arson, or refrain from hanging, regardless of the notions of Congressional philanthropy. We model our civil codes at our unrestricted will, institute jury trials or dispense with juries, adopt the common law or any other we prefer, frame bills of right to

suit our views of liberty, and give the elective franchise to whom alone we please.

But, after we have considered the foregoing results, we shall possess an inadequate appreciation of the value of the restrictions on Congress, unless we know further, that to their most rigid construction alone we owe that our nation is preserved from degenerating into a central despotism, absorbing all State sovereignty, till the disgusted, coerced, and over-ridden parts shall disrupt into congenial fragments, like all preceding great nationalities; a calamity whose magnitude we are almost prevented from understanding,—the General Government dispensing to us its benefits as insensibly as the atmosphere, which we move through with an almost unconsciousness of its existence and life-supporting influences. (Whether we possess general intelligence enough to understand the restraints that alone can perpetuate a Confederacy so extensive as ours, and so diversified in local interests, prejudices, and habits; and whether, admitting the intelligence, we possess self-denial enough to forego the advantages which numerical force may enable one portion of the Confederacy to take over the feelings or interests of any other portion,—are experiments to be tested by this Kansas-Nebraska bill, and kindred measures, under the inherent disadvantage that every locality furnishes influential men who soon find that personal interests are better subserved by pandering to our prejudices than by enlightening our intellects; and who, accordingly, are less disposed to enlighten even their own intellects by constitutional studies, than to rush into every controversy on the side which promises to be the most popular. >

(The general desire for a National Union occasioned its formation, and kept us harmoniously united for a quarter of a century. A new generation had then arisen, to whom

were practically unknown the evils that preceded the Constitution; and the new generation soon began to develop latent elements of discord, (like the present Kansas-Nebraska controversy,) which Washington, in his farewell legacy of 1796, had paternally foreseen, and against which he recorded his warnings; with how little effect let a late petition testify, of some hundreds of New-York clergy, headed by the Bishop of their diocese, "to make the caldron boil and bubble." And let testify also, the meetings, through the North, of laymen, *without distinction of party*, as is alleged—gatherings, without distinction of party, on a subject whose solution depends upon whether the Constitution shall be interpreted strictly or loosely,—a criterion that is the ultimate foundation of all our party divisions, in relation, not merely to the action of Congress on slavery, but on tariffs, public improvements, United States Bank, and every other permanent question of any moment on which our citizens have ever differed nationally. With as little absurdity might Christians assemble, *without distinction of sects*, to determine how the Bible shall be construed on the subject of baptism, extemporaneous prayers, formulas, hierarchies, &c. If the mingled sectaries should agree, they would no longer constitute different sects; and if our citizens of different parties agree that the Constitution permits Congress to exclude slavery from Kansas or Nebraska, they will all belong to the party of lax constructionists, designate themselves as differently as they may please.)

The Bible says of God, that He wants obedience rather than sacrifice; and Washington, were he present, would say that he prefers obedience rather than the costly monument which we substitute in place of obedience, and which, in our zeal for his memory, we erect by obtruding pecuniary contributions therefor among our ballot-boxes, at the

expense, perhaps, of driving therefrom some sensitive poor men who have no ostentatious contribution to spare. Still, amid much to alarm patriotism for the perpetuity of our Union, among those who believe that its perpetuity depends upon a strict construction of the Constitution, and of which the present Kansas-Nebraska bill is a fruit, we may derive encouragement from the reflection that the New Testament existed fifteen hundred years before Christians learnt therefrom that to burn heretics was not fulfilling the gospel ; while we, in about the third of a century from 1820, have so far learnt the true construction of our Constitution, that the Missouri Compromise, a cancerous excrescence on our confederative cohesiveness, has been declared void by a large majority of the United States Senate,\* composed, as we may well believe, of the foremost men of our Republic. Knowledge is cumulative and progressive, and the true construction of our Constitution thus made visible, will probably result in a more perfect union than we have enjoyed for years ; and the fruit of which being the extinction of geographical rivalries, we may extend the blessings of our liberty Canada-wards, or Mexico-wards, to as much new territory as Providence may think proper at any time to grant us by honest means ; filling it with a contented, prosperous, and free people,—each locality of the broad whole conserving its own domestic interests, and yielding willingly alike precious liberty to all the others.

\* The House of Representatives had not yet acted on the bill.

## THE KANSAS-NEBRASKA QUESTION CONCLUDED.\*

WHEN a ship is on the ocean and a sudden cry announces a man overboard, the deck immediately becomes thronged by the crew and passengers; and then may be seen human nature in its various phases. The timid will shrink from the ship's side, lest they also fall over; the selfish will bless God they are not in the drowning man's position; while the prejudiced will think he is only a rum-seller, a heretic, or a slave-holder—let him go; but a few, nature's true nobility, will plunge into the ocean to save the man, regardless of what he is, and thinking only of duty. Something like this is transpiring now. (The United States, coursing on Time's fathomless ocean, is suddenly agitated; a principle is overboard, struggling between life and death—the old continental principle that taxation and representation must not be separated into two bodies—one body to rule without sharing in the burdens thereof, the other to be ruled without sharing in the adjustment thereof. And here, also, may be seen human nature in various phases. The timid think they have no personal interest in Kansas or Nebraska, and keep aloof, lest they be endangered thereby; the selfish balance the advantages of opposition against the advantages of acquiescence, while the prejudiced see nothing but slavery in danger, and are desirous it shall perish: but some rush to the rescue of a great national principle, regardless of their predilections in relation to the measure that happens to be in danger.)

The large mass of mankind are, however, not included in any of the above classes. Want of leisure, or defective

education, prevents most men from discriminating between measures and principles. They will destroy the liberty of speech, when any given speech is offensive to them ; they will destroy the liberty of conscience, when a man worships as they think he ought not to worship ; they will destroy the personal liberty of their neighbor, when he drinks what they think he ought not to drink ; and they will destroy self-government in Kansas and Nebraska, lest the inhabitants should legislate favorably towards negro slavery. Lynch law is the worst example of a regard for measures irrespective of principles ; still, in our zeal for particular measures, we often violate great principles by legislation, and such a violation differs from Lynch law in only sinning legally, instead of sinning illegally. If we admit law to be the only criterion of right and wrong, every species of tyranny may become justified.

The persons who thus subordinate principles to measures are generally honest, and their errors proceed from generous impulses, even in the worst exercises of Lynch law. On the enlightenment of the great mass of every community, in the discrimination between measures and principles, we must mainly rely for the preservation of our liberties, which will never be attacked except indirectly in the guise of measures that happen to be unpopular. A proverb says, "Take care of your cents and dollars will take care of themselves." We may parody the proverb and say, Take care of measures and principles will take care of themselves. Sectarian hate constitutes the best known type of "the worm that never dies and the fire that is never quenched." It caused the destruction, at midnight, of a nunnery in Boston, the demolition of a costly chapel in Philadelphia, the expulsion of the Mormons from Missouri, and our own occasional, though not recent, petty

persecutions of the Shaking Quakers of New-Lebanon. But with this hate born in every man, what caused universal toleration of opinion to be guaranteed to all men by our State and National Constitutions? It was a knowledge that in a mixed population like ours no safety exists for any sect but in a universal protection of all. Our institutions will not be safe till we understand that a like universal protection is necessary to every measure that concerns any of the great principles that constitute the glory and happiness of our country; and perhaps the necessity of protecting all, if we would insure the protection of any, is a means designed by Providence to restrain the personal selfishness and self-will which are inseparable from human nature.

Still, the necessity of tolerating measures for the sake of great principles is so little understood, that, at a late gathering in New-York of several thousands of native Germans, they remonstrated against the passage of the Maine Law and the Kansas-Nebraska bill; unconscious that, if we may dictate what the people of Kansas shall do with slavery, one portion of our people may as properly dictate what another portion shall drink. When the drink war commenced against every man's sovereignty over his own stomach and pockets, the prohibition was only against alcohol, and the drinkers of good wine, beer, and cider became ready partisans in the war against vulgar alcohol, which they never drank; not knowing that the principle which justifies interference with one beverage will justify an interference with all, and that the security from molestation of any depends on a defence of all.)

Many of our Irish citizens are exhibiting a like indiscrimination between measures and principles. They abandoned Ireland because it is governed by a British Legislature; still they oppose the Kansas-Nebraska bill because

it permits the people of Nebraska to govern themselves. The Irish hate slavery, and, doubtless, a like hate of Irish religion and other Irish social peculiarities is equally honest with Englishmen; and if slavery is to be interdicted in Nebraska, by reason that the Irish hate it, are they not justifying Englishmen in interdicting Irish peculiarities that Englishmen hate?

## CHAPTER II.

### OF THE NATURE OF OUR CONFEDERACY.

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#### THE PHILOSOPHY OF THE AMERICAN UNION ; OR, THE PRINCIPLES OF ITS COHESIVENESS.\*

##### § 1. *The Elements of Disunion.*

WHOM God hath united let no man separate, is an injunction applied to man and woman in matrimony, and is founded on the correlative organization of the wedded couple. God has created each of the parties incomplete without the other, and endued each with organs, desires, intellectual tendencies, and physical powers subsidiary to the social coalescence of the two. The same injunction is occasionally applied fondly to the political union of the sovereign States in our national Confederacy ; but we shall speak more profitably, in times like the present, if we examine less poetically the characteristics of our Federal nationality, which, instead of being a union that nature dictated, is a result of consummate art to unite those whom God separated, by making some of them powerful and others feeble ; scattering them also apart with vast intervening distances ; diversifying them with great differences of climate, natural productions, social habits, industrial pursuits, and capabilities—so that even a uniform tariff of imposts, which shall be compatible with the prosperity of all the States, is constantly a result of elaborately adjusted compromises be-

\* Published January 1st, 1850.

tween the antagonistic interests of the respective confederates. So violently were these antagonisms brought into conflict in the year 1832, by a tariff that was deemed too favorable to protection, and consequently too aggressive to the non-manufacturing States who were only consumers, that South Carolina organized a system of resistance to its collection ; though a tariff is the most indispensable want of the General Government, and to insure its uniformity in all the States, was one of the principal motives for the formation of our Union. So the long embargo that occurred during the Presidency of Jefferson, and the long commercial non-intercourse with foreign countries, and subsequent war during the Presidency of Madison, were results of some of the most indispensable functions of every Government ; but they affected our States so differently, that while some prospered thereunder, others were so injured, that a Convention was assembled at Hartford to give organization and efficiency to the dissatisfied, with a view to the coercive termination of their grievances.

The foregoing elements of disunion are inveterated by the constituent formation of our National Legislature. In the French Chambers the members are all Frenchmen ; but our members of Congress are Georgians, New-Yorkers, Carolinians, Pennsylvanians, &c., every member being identified by interest and filial attachments with the State he represents, and to whose partiality he owes his station, and ordinarily his hopes of further advancement. The practical effect of this want of homogeneity in our Legislature is seen in the hostility which existed to the purchase of Louisiana and Florida, to the acquisition of Texas, to the progress of our victories in Mexico, and in our churlish reception, by treaty, of California and New Mexico ;—the effect on each State of any increase of the nation being

alone considered by every member of Congress,—not the benefit of the increase to the Union as a whole.

The elements of disunion thus exemplified rather than enumerated, are not unexpected ingredients in our Confederacy. They manifested themselves in the Convention that formed our National Constitution, and constituted an obstacle which seemed for a long time insurmountable, and which was ultimately overcome by only numerous compromises. “To draw with precision the line between those rights which must be surrendered, and those which may be preserved, is at all times difficult,” said the Convention; “and on the present occasion this difficulty,” say they, “was increased by a difference among the several States as to their situation, extent, habits, and particular interests. The Constitution which we now present is the result of a spirit of amity, and of that natural deference and concession which the peculiarity of our political situation rendered indispensable. That it will meet the full and entire approbation of every State is not, perhaps, to be expected; but each will doubtless consider, that had her interests alone been consulted, the consequences might have been particularly disagreeable or injurious to others.

“By the unanimous order of the Convention,

“GEORGE WASHINGTON, *President.*”

§ 2. *The most efficient compromise in forming the General Government was a limitation of its powers.*

When we speak of the compromises of the Constitution, we are prone to regard only the provisions that relate to domestic slavery. These compromises proceeded from the clashing interests of the several States; but the most important compromise consisted in reconciling the clashing interests of the Federal sovereignty that was to be created, and the sovereignty that was sought to be retained by each

State. The reconciliation was eventually perfected by limiting the action of the General Government to a small number of expressed objects. The States had recently emerged from a contest with Great Britain, whose monarch had ceded his undoubted sovereignty, not to the United States as a whole, but to each State severally and by name ; hence the States went into the Constitutional Convention as independent sovereigns. They severally determined to make no surrenders of power not dictated by their respective interests ; and they severally retired from the Convention believing that they retained all the sovereignty they had not specifically surrendered. We may well admire the elaborate precautions that were taken in the Constitution to render this belief apparent and secure ; but to make the restriction as definite as language can make it, the first Congress that assembled under the new Constitution, (March 4th, 1789,) added thereto an amendment, which was subsequently duly ratified, that, "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or the people." The amendment grew out of a desire therefor by several States, expressed when they originally acceded to the Constitution ; and for the avowed object of "preventing misconception or abuse of power."

§ 3. *The cohesiveness of the Confederacy, and the circumscription of its powers, are measures of each other.*

When France adopted recently universal suffrage as the basis of her Republic, Lamartine remarked in its favor, that universal suffrage was the strongest basis which any government could adopt, by reason that all occasions for revolution were extinguished, when a people can at all times legally adapt public measures to their own will. By like principles, a Confederacy in which each confederate can

regulate her own interests, must be the most cohesive of all associations,—no occasion for disunion being possible. But a liberty so extensive would render impossible any general action; hence the framers of our Constitution approximated to this extreme liberty, as far as practicable, by leaving to the respective States all their sovereignty, except in a few particulars, whose surrender was deemed beneficial to each and all. Indeed, no mathematical proposition can be more certain, than that we diminish the causes of disunion, in proportion as we circumscribe the number of occasions in which the action of the General Government can conflict with local interests. The converse of this rule is equally true; and if our States should unanimously alter the Constitution, giving unlimited sovereignty to the General Government, our local interests, habits, and pursuits are so conflicting, that the Union would soon break into fragments, as all former large empires have broken, whose cohesion has been military force,—a cohesion which alone can hold together even temporarily antagonistic interests that a single legislature attempts to subject to procrustean laws.

§ 4. *The construction of our Confederacy is wiser than its framers.*

The preservative virtue which, as shown above, is innate in the limited powers of our General Government, was not foreseen by the framers of our National Constitution, wise and patriotic as we delight to deem them. The limitations originated in the accidental division of our country into separate colonies, with separate legislative organizations, and other concomitants of distinct sovereignties. Had our people been united under one government before our separation from Great Britain, the whole, after the attainment of independence, would doubtless have continued united

under some single organization ; notwithstanding the lesson of all history, that large consolidated governments, whether monarchical or republican, contain alike the elements of dissolution. Happily, therefore, for us, when our ancestors convened to "form a more perfect union," the discordant interests of our extensive country were already grouped into separate State sovereignties, which could be united under one federal whole only by continuing measurably distinct. Our National Government commenced, therefore, in a separation, just where a consolidated national government would have violently terminated, after some years of smouldering rebellion. The wisdom of no man could have originated the conception of a government limited like ours ; and we are yet to learn whether man possesses wisdom enough to endure its limitations. To err in this particular is most easy ; for, while the motive for limitations can be seen by only laborious examination, the motives for disregarding their spirit, if not their letter, are as apparent to every member of Congress, and partisan orator, as the blessings which he sees deducible from any measure that will minister to his prejudices, interests, or self-conceit.

§ 5. *The limitations of our Constitution are as favorable to personal liberty as to the duration of our Confederacy.*

Notwithstanding the world has gazed at our political system for more than sixty years, the vulgar principle of forcibly subjecting one locality to the interests and notions of another, is the only kind of aggregated nationality that is yet practised in Europe ; hence the first use which France made of its lately acquired republicanism was to impose the philanthropy of France on its West India colonies, by abolishing therein domestic slavery, irrespective wholly of the wishes and interests of the colonists, who

were thus summarily deprived of self-government. Such an intermeddling with other people's consciences and property, though probably consummated in deference to liberty, is repugnant to the more pervading liberty which results from permitting every community to regulate its own domestic polity,—a liberty which is as precious to a small community as to a larger, and which is surrendered by any, from only physical necessity.

The principle of interference by one community with the local concerns of another, is, however, never limited to domestic slavery. It is practised towards the religious prejudices of Ireland, and accordingly Ireland evinces constant uneasiness to be disconnected from England. The principle of interference, wherever established, obeys no limit, but the sufferance of its victims; hence the repeated insurrections of Poland to be severed from Russia, and the late sanguinary struggle of Hungary to be independent of Austria. These sad results of interference contrast widely with the conduct of Texas, voluntarily relinquishing her distinct nationality, and in the language of a great man, "fighting her way into our Union." And look at California, when lately the steamship Oregon was descried in the bay of San Francisco, and by the continued booming of her cannon gave notice that she brought great news. Immediately multitudes of joyfully-expectant people rushed to the beach, and from every pinnacle floated suddenly the "stars and stripes," for California was admitted into the Union. But let no man suppose, that the bells which were pealed on that occasion, the bonfires which lighted every hill, the public meetings for congratulation, and the general enthusiasm, were produced by considerations that California had become connected with a powerful sovereignty. The enthusiasm arose from a consciousness that California had

herself become sovereign, with only so much subjection to the General Government as California believed was for her advantage.

§ 6. *The limitations of the Constitution exist in its construction more than in its language.*

Having shown that the limitations of the Constitution are as favorable to liberty as to the duration of our Confederacy, we gain but little, because the efficiency of the limitations will depend on the rules of construction which we apply to them. This is discoverable in the diversity of opinions which at different times have prevailed on the constitutionality of a National Bank. Captiousness is not the origin of the disagreements, but an inherent diversity of men's feelings, interests, knowledge, and acuteness; hence the principles which are to be used in construing constitutional limitations, are of more practical importance than the words in which the limitations are expressed. All constructions of any instrument are governed by the objects which the construer thinks the instrument was designed to subserve; hence a politician who views the limitations of the Constitution as a remedy against a dissolution of the Confederacy--and consequently as the only means whereby any political good can be permanently accomplished by the Confederacy--will be a strict constructionist of the powers of the Constitution. But the politician who looks at the limitations as only unreasonable obstructions of the power "to promote the general welfare," will deem the limitations as penalties, to be inflicted only where they must; and he will be a loose constructionist of the powers of the Constitution. John Quincy Adams, a loose constructionist, said, in his first Presidential Message to Congress, "while dwelling with pleasing satisfaction upon the superior excellence of our political institutions, let us not

be unmindful that liberty is power ; that the nation, blessed with the largest portion of liberty, must, in proportion to its numbers, be the most powerful nation upon earth ; and that the tenure of power by man is, in the moral purposes of his Creator, upon condition that it shall be exercised to the ends of beneficence, to improve the condition of himself and his fellow-men. While foreign nations, less blessed than ourselves with that freedom which is power, are advancing with gigantic strides in the career of public improvement, were we to slumber in indolence, or fold up our arms and proclaim to the world that we are palsied by the will of our constituents, would it not be to cast away the bounties of Providence, and doom ourselves to perpetual inferiority ?”

All that is thus so well and patriotically stated by Mr. Adams is true, but it is totally inapplicable to our Confederacy, which is a nation for only a limited number of purposes, and can continue a nation by only adhering strictly to the limitations ; as we may be assured by the present agitations, as well as by several preceding ones, which brought the Confederacy to the verge of dissolution. The power to which Mr. Adams alludes, exists in our States respectively, and their people, who, instead “of slumbering in indolence and folding their arms,” have advanced in the career of public improvements, canals, railroads, plankroads, electric telegraphs, steamboat navigation, steamship construction, public education, and all other elements of progress, to a degree which no other people ever witnessed ; and to a degree which the National Government could not have attained, had it been legally invested with the attributes of unrestricted sovereignty.\*

\* For further elucidations on this point, see “The Constitutional Power of Congress over Public Improvements,” as discussed hereafter.

§ 7. *Our only alternative is strict construction or dissolution.*

Seeing, then, that the loosest construction will not promote good objects so effectively as the strictest construction, we need not regret, that nature yields us no alternative but to be content with the good which the General Government can effect within the sphere of its most restricted powers, or to weaken the bonds of our Union. Recent events show these views to be more than theoretical, and the most obtuse intellect sees that the loose construction by which Congress claims the power to circumscribe domestic slavery in the territories, interferes so sensitively with our Southern confederates as to endanger the Union.

Now, in relation to the right of a State to secede from the Union, or to redress injuries to her sovereignty by any other means in her power, the right is not constitutional, any more than our original Revolution was loyal, or than our War of 1812 was conformable to the definitive treaty made with Great Britain in 1783, and which stipulated for a "perpetual peace." The right of secession is nevertheless among the "inalienable rights of life, liberty, and the pursuit of happiness," referred to in the Declaration of Independence; and with which it says, we are endowed by our Creator; and that "whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it, and to institute a new government."

We all feel that secession is practicable; and to urge a discontinuance of further annoyances against the South, we have lately seen numerous attended "Union Meetings" in our large cities, and their influence will be salutary; but the parties have not probed to the bottom of the difficulty. Indeed, the superficial views which these meetings take of

the difficulty, is painfully indicative that the nature of our Confederacy is too little understood by its friends. They see our danger, and are desirous of averting it; but they seem moved thereto more by fear of consequences than conviction of error, in the principle from which the danger has arisen. They cry aloud for Union, and some would fight for it; but these are not the way (especially the latter) to obtain it, and humanity may rejoice it is not. But, especially, they seem not to know that slavery agitation is only the symptom of a disease, not the disease itself. The disease is a loose construction of the Constitution, and the remedy is a strict construction. Slavery is only the symptom of to-day, as a protective tariff was the symptom of 1832, and as a great system of internal improvements by the General Government may be the symptom to-morrow. The friends of Union, therefore, should understand that they must be strict constructionists of the Constitution, if they would be Union-men in an intelligent, pervading, and enduring sense.

§ 8. *Wholesome restriction exceeds the conventional restrictions.*

Nor need we fear that the strictest construction to which we can subject the Constitution, will be prejudicial. Our dangers lie not thitherward. The abolition of slavery in the District of Columbia is constitutionally within the power of Congress, as was the abolition therein of the slave trade; but who knows not that this legislation is distasteful to the South, and thus conflicts *in spirit* with the constitutional restrictions which enable the Confederacy to hold together? When, also, some years ago, the proceeds of the public lands were distributed among the States in the most equitable manner, to the great relief of some States, and to the support of education in others, yet it was

offensive to some of the agricultural States, though certainly constitutional. They saw that the money which was thus diverted from the Federal treasury would necessarily be supplied by an enhanced tariff; and that the non-manufacturing States would thus be taxed to the benefit of the manufacturing States, as effectually as though the tariff had been enhanced for the express purpose of protection.

§ 9. *The most preservative principle is the danger from aggression.*

But after enlightening ourselves on the preservative qualities of a strict construction of the Constitution, how can we insure its application in national legislation? A present good has ever preponderated over a prospective evil. The strong have ever tyrannized over the weaker, to the extent that aggression was met by sufferance. Aggression, therefore, can be arrested only by resistance. Nor is the remedy speculative merely. When Missouri, in 1820, was refused admission into the Union, by reason that her Constitution permitted domestic slavery, nothing prevented a consummation of the aggression but unmistakable demonstrations that it would effect a dissolution of the Confederacy. So the resistance, in 1832, of South Carolina to a protective tariff, was mainly effectual in the subsequent abandonment of the principle; till now, the most which is claimed by the opponents of free trade, is an incidental protection, after the expenditures of the Government shall be reduced, as much as practicable, by economy and the land money. But to omit old examples, what caused the abandonment, at the last session of Congress, of the Wilmot proviso, though patriotism during the war with Mexico, and our armies there in imminent peril for reinforcements, in vain could cause it to be abandoned? And

what caused the efficient amendment of the Fugitive Slave Law, the nullification of which for many long years, had been the labored effort of States, and the favorite amusement of associated societies? and what arouses in nearly all our cities Union meetings, without distinction of party, to arrest slavery agitation, on which parties so long have lived? It is the determined spirit evinced by some of the aggrieved States, that they will no longer submit to what outrages their interests and their feelings.

Let not the truly Union men, therefore, look with disapprobation at the disunion agitation which is pervading the South, for it is but the tempest which is to purify the political atmosphere; and by a means which God has ordained for the purposes of longevity. Nations and society of every grade are kept peaceable and just, only by the antagonisms which nature arouses between the aggrieved and the aggressor. Sufferance, on the contrary, but facilitates further aggression; and unrestricted submission in the intercourse of mankind with each other, would be attended with universal ravage, rapine, and outrage. Thus, had the Slave States submitted tamely to the imposition of the Wilmot proviso to New-Mexico and Utah, we should, instead of Union meetings to arrest further agitation, have had meetings everywhere to spirit forward the abolition of slavery in the District of Columbia; and our Confederacy, "soaring in its pride of place," would have been continually thus "hawked at by every mousing owl," till it would have lost all its preservative elements, and become practically a huge consolidation, which the diversity of exasperated local interests, and geographical hatreds, would eventually have broken into irreparable fragments. For the aggrieved to resist aggression is, therefore, the most patriotic of duties; and the fault of the South consists in not

having resisted effectually in 1820, instead of compromising, by the circumscription of slavery, to obtain the admission of Missouri. If an injured party is subdued by force, he must submit; but he who submits without physical necessity is an accessory to his own dishonor; and in our Confederacy he becomes an accomplice in the overthrow of the Union.

§ 10. *All the concessions of the South have been rendered without an equivalent.*

Nor need we be surprised that the South is not quieted by the late Compromise Measures. Who sees not that the Californians formed their Constitution under the coercion of knowing that admission into the Union was impracticable, except by a prohibition of slavery. To say that the new Fugitive Slave Law is an equivalent for this aggression is to aggravate the injury by taking advantage of our own wrong; for the new law is beneficial to the South only because we practically nullified the old. The like may be said of our abandonment of the Wilmot proviso in the organization of New-Mexico and Utah—an abandonment that was useful to the South by reason only of our wrong in meditating the restriction. In short, every compromise the South has entered into has resulted in a sacrifice without any available equivalent. Capitation, and other direct taxation, was, by the Constitution, to be apportioned among the States according to the ratio of their representation; hence, rather than be taxed for the whole number of their slaves, the South consented that every five slaves should be counted as only three persons. But no direct taxation is levied, and the loss of representation by the South is without an equivalent; aggravated, too, by the fact that every five slaves who escape into the North without being recaptured, will be represented in Congress as five persons,

though the blacks are usually as much debarred from the right of suffrage in the North as in the South.

§ 11. *The remedy which can alone restore fraternal harmony.*

The people, like other sovereigns, are so little accustomed to hear truth, that to a portion of them the foregoing remarks may seem strange ; but the time is arrived when the whole truth should be told, that our citizens, never acting intentionally wrong, may know what is due to their virtue and patriotism. They will not learn it from partisan leaders, who, in speaking of even the late Compromise Measures, seem more intent on apologizing for abandoning the Wilmot proviso, (some law of God having superseded it, they say,) than by wholesomely inculcating the usurpation of its infliction. To thus doubt the patriotism and wisdom of the people is an old error, and will not medicate the wounds we have inflicted in fraternal bosoms. In vain, also, are our protestations of love for the Union, unless we show our love by not obstructing the Fugitive Slave Law, by refraining from all debates in Congress offensive to any constituency, and from all Congressional discrimination between slave States and free, in regard to present territory, or future acquisitions.

§ 12. *The conclusion.*

Politicians who excite each other in Congressional debate, are prone to mistake for public feeling what is only an effect of their own position. The people of the North cared nothing last winter what terms of compromise should be concocted, so long as the terms would restore peace ; and they care nothing now for the respective measures, except as they shall prove effectual towards harmony. In truth, the North had, last winter, no surrenders to make,

but a relinquishment of their own unwarrantable interference with the domestic relations of other men, as free as themselves, and as capable of self-government. If these views impute too much good sense to the North, and especially if we are not prepared for such a reversal of our conduct as is urged in the foregoing leaves, we are not equal to the exigency of the times, or to live under a Confederate Government such as no preceding people ever enjoyed. The South, even now, show a placability (as they have during our whole period of encroachments) which nothing can cause but a great love for the Union. We may, therefore, under a persistence in our errors, enjoy a truce for a season,—but no enduring union. With the restoratives herein recommended, and a strict construction of the Constitution in all new legislation, we may safely expect long years of internal tranquillity. Geographical divisions, which constitute “the madness of the many for the gain of a few,” will fade away. No causes will exist for rejecting new confederates, by local jealousies in regard to the balance of sectional strength; and we may diffuse the blessings of our system illimitably, Canada-ward or Mexico-ward, to the advantage of ourselves, and the happiness of others. In the language, therefore, of inspiration, (and no language is too sacred,) placed before you this day are good and evil. Choose ye.

## OUR POLITICAL DISORDERS AND THEIR REMEDY.\*

§ 1. The abolition of slavery most people suppose would exempt our Union from discord ; but the Canadas wrangle as fiercely about the location of their capital as we do about slavery. If Mason and Dixon's Line separated Romanism from Protestantism, the divisions would antagonize about religion ; and the same would occur if Mason and Dixon's Line divided old school Presbyterianism from new school, orthodox Quakers from Hicksites, teetotalism from free-drinkism. The first contentions of our Union related to the difference in size and population of the different States, and when Washington warned us against sectional agitations, slavery was a Northern institution as much as a Southern. (Were the North and the South to separate, neither division would remain long without antagonistic agitations, just as every State has its intestine contests, every neighborhood its feuds, every family its heart-burnings. Our sectional antagonisms were as savage as they are now, before the existence of Kansas ; before Sumner was knocked down ; before the repeal of the Missouri Compromise ; before the new Fugitive Slave Law. What we shall antagonize about at any given moment, will depend on circumstances ; but when we deem any particular subject the cause of our trouble, we are mistaking for a cause what is only an effect of man's organization.) So Millerism, Spiritualism, Clairvoyance, Table-tippings, cause not the insanity which a man of any such belief evinces. They are only the occasions which excite insanity in persons organically predisposed thereto ; hence the people who be-

came insane on Millerism, become insane on Spiritualism, Table-tippings, and kindred excitements that successively arise; and the men inordinately antagonistic as abolitionists, were equally violent as anti-Masons, pioneer stage men, anti-Sunday mail men, Native Americans, Mainelawists and Know-Nothings. When any new excitement is commencing, men's antecedents can foreshadow who are to become its proselytes, and the degree of extravagance each will exhibit.

§ 2. Another of our difficulties is the sectional organization of Congress, no Senator or Representative being eligible thereto, except of the State in which he lives, and practically as a champion of its prejudices or interests for a protective tariff, or against—for or against internal improvements, war, peace, the acquisition of new territory, &c. During our Mexican war, a Senator imprecated on our invading troops, that they should be greeted with bloody hands and hospitable graves; a speech which endeared him to his State, though morally treason to the Confederacy. No President has ever been made from the great orators of Congress; the eloquence which makes them idols of a locality detracting from their general availability. Every interest is represented in Congress except the interest of the whole; hence the army, navy, fortifications, and other Federal objects, are the last that can gain attention. But the most disturbing effect of the sectionalism of Congress is man's combativeness. If we see a casual street fight of two dogs, we instinctively sympathize with one in preference to the other, or side against both in favor of peace. Nothing is more common on such occasions, than a general melee among the spectators—the partisans of one dog knocking down the partisans of the other, and the friends of peace knocking down the partisans

of both the contestants. We need not wonder, therefore, that the meeting of every Congress is the signal for agitation over the whole Confederacy, in relation to grievances of whose existence we were not previously aware, till we become in a ferment of artificial excitement, which changes its object as Congressional gladiatorship flashes upon us hourly from the electric telegraph.

In the infancy of physical knowledge, eclipses portended some national calamity, but experience has manifested they are but necessary results of the independent revolutions of the celestial bodies; so in the infancy of our Republic, we deem every sectional strife portentous of a dissolution of the Union, but we may find they are but necessary results of the independent individuality of the States of our Confederacy. Under an unrestrained liberty of speech and of the press, like ours, the French Empire could not exist a month. Probably our States may in time become equally schooled to bear the sectional agitation of Congress, so that it will become as little disturbing as the license of the press, which no man is so inflammatory as to much heed.

§ 3. Another of our difficulties is, conflicting notions respecting our nationality. Slavery is a reproach to our nation says one man, while other persons insist that Southern slavery is as little a reproach to New-York as the slavery of Morocco. The disputants differ little in their estimate of slavery, but they estimate differently our nationality. The ancient philosopher, who tried to find which was the heap in the separate grains of a bushel of wheat, might be equally puzzled to find the United States; for he would find only Massachusetts, New-York, Vermont, &c. In view of this peculiarity, DeTocqueville has well remarked that the United States is a government, not a nation—an

ideality that exists in only the mind. Our nationality being thus unique, the accountability of New-York for the slavery of Kansas is not ascertainable by our national relation to Kansas, till we determine first whether our nationality gives New-York a legal voice on the subject. To ascertain this we resort to the Constitution, which fails in deciding the question—some persons expounding the Constitution as permitting interference by the Congressional representatives of New-York, and others expounding it as denying to Congress any voice in the matter.

§ 4. But could the Constitution decide the foregoing question, our condition would not be mended ; and our belief to the contrary is a more disturbing error than any I have specified. Men may be killed by eating what is sanctioned by the best physicians, and our Union may be conserved or separated by measures sanctioned by the best constitutional casuistry. . An excise law of undisputed constitutionality, produced a rebellion during the Administration of Washington, and a constitutional tariff produced an incipient rebellion under the Administration of Jackson. The power of peace and war are among the inevitable necessities of any Confederacy, but New-Englanders felt so aggrieved by the War of 1812, that they called a Convention at Hartford to separate from the Union, “peacefully if they could, forcibly if they must.” Nor was our Mexican war less instructive of the inefficacy of mere constitutional sanction to preserve the Union, though opposition in that war extended to only moral treason by encouraging the public enemy, obstructing the transmission of troops, and procrastinating needful legislation. The constitutionality of an evil may soothe its infliction, yet no compact, not even marriage, can bind parties who find the bonds subversive of happiness and prosperity.

§ 5. Now, if gold is more valuable than the shape of the ingot, the Union is more valuable than the Constitution. Suppose, then, no constitutional difficulty could be alleged against the universal suppression of domestic slavery by Congress, the question would still remain, whether the exercise of the power would promote or impair "the more perfect Union," which was the main design of the Constitution, and which is as superior thereto, as fruit is superior to the seed from which it sprang. A man, therefore, who looks at only the Constitution for his duty to the Union, may submit to the requirements of the Fugitive Slave Law, or evade them by force or cunning, according to his constitutional views; but a man patriotically disposed to the Union, will govern himself towards the law by the effect which his conduct will produce on the fraternal feelings of the States.

§ 6. Satirists often contrast the compliances of courtship with the tyranny of marriage. May not the compromises which alone confederated the States be contrasted also with the uncompromising acts by Congress that some of us desire. But the marriage tie is not always secure against subsequent abuse, nor is our Union. Nationalities as large as our own, have failed of conservation; while we possess elements of disruption which no other aggregated nation ever possessed, our States severally containing all the machinery, civil, military, and judicial, of independent sovereignties, with revenues and affectionate subjects. Twenty-seven millions of people are thus situated. At the census of 1860, we shall number thirty-one millions; in 1870, forty-two millions; and before the infants of to-day shall attain to middle life, our population will be a hundred millions.

§ 7. The immediate disruption of our Union may be impracticable under a determined resistance by the General Government; but to be permanent, the Confederation must be desirable to all the Confederates, difficult as this ever must be from the diversity of their climates, productions, and social customs; hence were we governed like England, by a single legislature, our Confederacy would not exist a year. When Congress exercised its undoubted right to prescribe the time for electing Congressional representatives, an infraction of the law had to be disregarded till the States chose to conform, and like concessions have been numerous. Providentially, the diversities of prejudices and interests in our Union are founded on diversities of locality; so that Congressional legislation need not interfere therewith, if Congress will permit each locality to legislate for itself in all particulars but the few that are indispensable to the General Government. As Congress shall thus circumscribe its power, the yoke of the Union will be proportionably ungalling; and a non-exercise of disturbing power is only a remission of it from Congress to the separate States and Territories more particularly interested therein, and who possess all legislative and sovereign power to act as they shall wish. The interdict includes all the disputed construction of harbors and improvement of rivers. Had Congress steadily refused such legislation, our States would have depended on themselves therein, as they depend for railroads, canals, and telegraphs; and rivers and harbors would have been improved beyond what Congress could accomplish with its best efforts. The same may be said of a protective tariff. New-York protected by a bounty its Onondaga salt, and it may give the same protection to any other manufac-

ture; hence New-York need not abandon the Union for any non-protective action by Congress; except that were it out of the Union, it might impose a duty on rival importations. But the duty would operate as a tax on the consumers of the imported article, as burdensome as a bounty to be raised by a tax for the benefit of the home manufacture.

§ 8. But the best dissuasive against contentious legislation by Congress remains to be stated:—If every man could act as he pleases, personal freedom would be perfect, and the nearest approach thereto is, that every locality shall be uncontrolled by every other. After the French dethroned Louis Phillippe, their first act was to enfranchise all slaves in the French colonies, irrespective of the wishes of the colonists. The end may justify the means when a man looks only superficially, but whoever imposes his will over the will of another is so far a tyrant; and if tyranny is to be estimated by the quality of its acts, our theory of government is abandoned. The world has ever been full of patriots who would control others; but the problem our country is solving is, whether man can be satisfied with controlling himself, and permitting a like liberty to all others. No virtue is so cheap as the denouncement of other men's vices. When the Missouri Compromise was repealed, to enable each organized locality to decide on its own domestic institutions, some citizens of Irish nationality deemed the repeal an offence against liberty, forgetting that England's crime against Ireland consists in only a refusal to permit Ireland to legislate for itself. If the principle of self-government is to be subordinated to the subject on which it happens to operate, why should England, who possesses the power, not legislate for Ireland in mat-

ters which England may deem as important as slavery? Some Germans of New-York were also clamorous, because the people of Kansas were entrusted with the liberty of fashioning their own domestic institutions; when, however, the Maine Law undertook to decide for these Germans, whether they should or should not indulge in lager beer, they, like most other men, entertained no good opinion of the law, as they felt the halter drawn around their own liberties.

§ 9. But though madness occasionally makes suicides of individuals, self-preservation is nature's general law, and on it we safely rely for the perpetuity of our species; so political madness occasionally threatens the subversion of all the foregoing principles of Congressional forbearance, on which depend the peace and permanence of our Confederacy; but self-preservation is applicable to nationalities also, and on it we may safely rely for the perpetuity of our institutions. On this principle, the almost uniform success of the Democratic party can be accounted for. They have always been the party of union and the country, in opposition to those who in the second war with England, and in the war with Mexico, sided with the public enemy; in opposition, also, to those who struggled against the acquisition of Louisiana, Florida, Texas, California, and New-Mexico, and who sided with the United States Bank in its contest against the Government. If a fester has ever been on the body politic, who but the Democratic party has medicated it? Who would not have known that Democrats were not the authors of the Maine Law, were he in Japan when the first announcement of such a law should have reached him? Who would not have known also, that Democrats were not the secret plotters to debase emi-

grants, that, with their sucklings, were fleeing to us from European bondage? And which of us would not have known that Democrats were not the party to proscribe a man for his creed, and to recall from the dark ages a cry against Popery? If, also, anything disgraceful can be found in our history, you may be sure it originated while the opponents of Democracy possessed power. For instance, the treaty of 1842, by which, on a pretended claim of England, we retroceded to her a portion of Maine, to better England's military connection between New-Brunswick and Canada; bound ourselves also to keep an armed squadron on the pestilential coast of Africa, as a means to free our ships from the right of search which England otherwise insisted on; and in 1850, bound ourselves not to colonize any part of Central America; thereby creating (and I suspect for that object) an insurmountable barrier against annexation thitherward, should the people desire annexation at some future day. I may include in the category every depredation on the Public Treasury by heads of departments. Poor Gardiner, who killed himself on conviction of frauds in the Mexican Indemnity Fund, left unpunished Cabinet Ministers more guilty than himself.

When some few years ago, France and England insulted us by proposing to apply to Cuba the interdict which we imposed on ourselves with regard to Central America, a Whig Secretary of State declined the alliance, and the fame of his refusal filled the country with his praise. Had a Democratic Secretary of State performed the same duty, nobody would have deemed the act deserving of special praise; but coming from an anti-Democratic source, the act was deemed as meritorious as the winning of a foot race by a cripple. History accords thus a few acts by which anti-Democratic statesmen have earned a national

desert, but the specific acts occurred when the actors broke from their party.

§10. But self-preservation was never so directly at issue as in the approaching Presidential election. England and France, after warring for ages, found lately a common danger in Russia, and this soon united them in friendship. Every man holds thus some persons as enemies; but when a common danger renders these enemies needful to each other, they become friends. The same principle has operated every four years in binding our States together. The North and South, after defying each other for years, find the need of each other when a President is to be elected, and the common need revives a common friendship. An attempt, however, is now being made to destroy this harmonizing process, and in its stead to array the North against the South in a sectional fight, wherein one is to be conqueror and the other the conquered. When a man is nominated for the Presidency, his character is deteriorated by every effort of our unrestrained press; but in a sectional contest like the present, the worse evil is beginning to exhibit itself—of a blackening at the North the character of the South, and a blackening at the South the character of the North.

§11. When a criminal's offences are about to be expiated on the gallows, the catastrophe has been arrived at by approaches so gradual that he would have rejected it as impossible, had the fate been early foretold; so when Washington warned us against parties founded on geographical distinctions, the generation of his day were inclined to say with Hazael, of old—"is thy servant a dog that he should do this great thing?" Still, after sixty years of almost imperceptible gradations, we are arrived at the worst phase of Washington's warning predictions. Indeed, no man is so

young as not to remember when he could as creditably have denounced a future life, as advocate the sectional divorce which the coming election is sought to substantiate. A man in a passion usually supposes every body sympathizes with him, while probably they are only wondering at his madness. Something like this is the condition of sectionalists. They fill our bookstores with the picture of their candidate on horseback passing over the rocky mountains, in the attitude of Napoleon on crossing the Alps, and they believe that our yeomanry are to be seduced by such a show. The candidates are nothing in the coming election. The principles they represent are the polar star to which patriotism will alone direct its eye, and I scorn to praise or dispraise either candidate. Finally, the coming contest may be summed up in a few words. Our country has long been agitated by an extreme Southern doctrine, which insists that the people of a territory cannot exclude slavery, how much soever they may desire to exclude it; and by an extreme Northern doctrine, that the people of a territory shall not admit slavery, how much soever they desire the admission. The two extremes are equally fierce, and would cleave our Confederacy asunder,—divide it in twain, like the false mother in the Bible, who would divide the living child rather than yield her pretensions; but the Democratic party, like the true mother, are willing to save the Union, on the middle ground of letting each locality decide for itself the slavery question. This alone is the issue of the coming election; and hereafter the hopelessness of riding into power on the honest sympathies of the North against slavery, and the honest prejudices, therefore, of the South will become so apparent, that we may well hope the disturbing topic, instead of being perpetuated and inveterated by the success of our opponents, will, by their defeat, be driven out of Congress for ever.

## THE PRINCIPLES OF AMERICAN LIBERTY.\*

SEC. 1. We are apt to regard as a severe tax, that some men of every town are compelled, as jurors, to decide the diversified questions of life, liberty, and property, that are, several times every year, discussed in the law courts of every county; forgetting that a vast amount of legal knowledge is thus diffused into society. We are apt to regard as another evil, partisan strife, which, at every election, arrays neighbor against neighbor; forgetting that we thereby learn the power of rulers and the rights of the people. The legal and political knowledge thus forced upon our population could not be spared without a greater damage to our practical intelligence than a destruction of our common-school system, how highly soever we properly prize it.

§ 2. While these considerations should induce us to bear patiently each other's partisan infirmities, the instructiveness of political discussions is impaired by the difficulty which each party experiences in reaching its antagonists—the newspapers of every party being read by only its own partisans, and every public meeting being composed of those only who are predisposed to believe what the orators of the meeting are to inculcate. But a still worse consequence of the exclusiveness exists in the unfairness of statement and unsoundness of logic which characterize such newspapers and orators, and which escape detection and exposure by reason that they are read and heard by only those who exclude all other means of political information. The impunity of detection corrupts the teachers and infuriates the taught; for, while the taught are gradually

\* Published September 2nd, 1856.

wrought into fanaticism by distorted truths and false conclusions, the teachers are incited to greater distortions and more illogical conclusions. The evils never developed themselves so glaringly as at the present moment; one of our parties arguing the coming election on the abstract demerits of slavery and its local extension—questions which the election, however it may eventuate, can influence no more than it can the serfdom of Russia, to say nothing of the impolicy and injustice of our interference in the domestic concerns of another and remote locality. The Free State men in Kansas are not compelled to hold slaves. They are represented as oppressed and down-trodden thereby, while their only real grief is their inability to control other men, who desire to hold slaves, till slavery shall be abolished by the Territorial Legislature. Such is the whole matter which is shaking our Union to its centre, with this addition, that the slaves in question will continue to be slaves, as they always have been, whether they are removed to Kansas or retained in Missouri. Unfortunately, only comparatively few men possess much skill in reasoning, while all possess feelings, sympathies, and passions; hence political discussions, especially those of the present canvass, are addressed to the emotional instincts of the hearers, rather than to their intellects, and with the intent to inflame rather than to instruct. So vigorously is this bad mode now pursued, that a portion of our citizens deem their Southern brothers monsters that cannot too cruelly be hated or despoiled; and the sad spectacle has been exhibited of Northern clergymen sending rifles into Kansas for the purpose of murder—joking, also, on the contemplated slaughter, as the Robespierians of France joked, by designating their bloody guillotine as “the little republican window for aristocrats to peep through.”

§ 3. But our constitutions, by giving an equal vote to the ignorant and the intelligent, the selfish and the patriotic, the vicious and the virtuous, must ever subject our elections to the passions of the weak, the prejudices of the ignorant, and the cupidity of the selfish. These evils the enemies among us of equal rights always held up, to defeat the diffusion of political equality, which the Democratic party alone advocated, and has brought to the condition in which it exists among us. True to its instincts, it now opposes Know-Nothingism, which seeks to circumscribe religious liberty by placing disabilities on Catholics, and to circumscribe political liberty by placing disabilities on the naturalization of foreigners. It opposes, also, Republicanism, which seeks to circumscribe civil liberty by taking from the freemen of Kansas the power over slavery. Democracy assimilates human government to the government of God, which is the highest type of Democracy:—He making his sun to shine alike on rich and poor, good and bad, wise and simple; leaving every person free to work out his own salvation, instead of withholding the means of intoxication, lest a man should become a drunkard,—withholding religious liberty, lest he should become an infidel or heretic,—withholding the means of acquiring slaves, lest he should become a slaveholder,—withholding political power from the foreign-born, lest they should use it ignorantly. The first constitutions of all our States were full of such limitations, together with restrictions that deemed the poor ineligible for any office, or to vote therefor at any election; thus adding to the natural disadvantages of poverty, the artificial disadvantage of political degradation; and to the natural disadvantages of a foreign nativity, the artificial blight of perpetual alienage. To the patriots of our Revolution we are indebted for only the

means of liberty ; while for the equality of privileges which all enjoy, the people of all the States are indebted to Democracy, that, step by step, and item by item, wrenched the privileges from opponents under multitudinous names ; for, as the king of Moab thought God might change his purpose if invoked from a new locality, the opponents of political equality have continually thought the Democracy could be vanquished if attacked by a new name.

§ 4. But though Democracy has thus obtained equal privileges for all men, and now alone maintains them unimpaired, it expects to see some persons of foreign birth marshalling themselves with banners, fifes and drums, to vote against the party to which they owe the right to vote at all ; it expects to see some religionists voting for those who burnt their churches, destroyed their convents, and outraged their female seminaries ; it expects to see some moneyless men voting against the party which alone removed from our elections all property disqualifications ; it expects to see some men who prize an exemption from the Maine Law, vote against the party which alone has saved and can save them therefrom ; it expects to see some clergymen voting against the party which removed from the Constitution of New-York the sarcastic declaration of sixty-nine years standing, that, “ being dedicated to the service of God and the cure of souls, ministers of the gospel should not be diverted from the great duties of their functions ; and, therefore, under no pretence whatever, should hold any civil or military office or place ; ” it expects to see some “ free thinkers ” vote against the party which prevented infidels from being any longer covertly punished for their infidelity, by a disqualification from being believed under oath as witnesses. These adverse votes are necessary consequences of the liberty—civil, reli-

gious, and political—which Democracy has secured for all; relying that at least a majority of our citizens will be wise and patriotic enough to protect the privileges after their obtainment. We expect too much of human nature when we expect for the support of liberty many more than a majority,—liberty having never been lost in any country except by the co-operation of those who were to lose it. No Maine law has ever been passed or will be, but by the co-operation of brewers, distillers, grocers, and tiplers; no new disqualifying naturalization law will ever be passed but by the assistance of naturalized citizens,—and the men who lately were dismissed from the United States armories because Congress refused to pass the Army Bill, voted probably for the Congressmen who thus unpatriotically injured them. But if we deprive men of the power to fool away their rights and liberties, we deprive them of liberty. The case presents a curious dilemma. We sometimes wonder that slaves, when liberated by an invading foe, will desert back to their masters, and fight against their liberators; but the foregoing analogous cases, always transpiring in our midst, prove that such desertion is common to human nature, which crucified the Saviour who came to redeem it, and has ever performed much the same for all its great benefactors. Even the War of our Independence never commanded more than the support of a majority, while our second war with England was worse supported; and in our war with Mexico, while our troops captured the whole country, and it was ours by the law of nations, our Government, by means of a Congressional withholding of supplies, and by political harangues from the pulpits that now send rifles to Kansas, and, in our war with England, said that a religious people could not thank God for victories gained by blood, was literally compelled to purchase a peace at

many millions of dollars, and surrendering back all our conquests but what was deemed a barren waste ; lately purchasing back, for ten millions of dollars, a small piece of the territory thus factiously and gratuitously surrendered.

§ 5. In equalizing religious liberty by giving to every man freedom of conscience, how perniciously soever he ay abuse it ; in equalizing political liberty, by making every man eligible to hold all offices and elect all officers ; in equalizing civil liberty by giving to every man entire control over his conduct, except that he shall not injure other men,—the Democratic party has not always seen clearly the requirement of its own principles, but has groped its way by such lights as it possessed from time to time. We owe to the progressive nature of knowledge that Democracy now sees distinctly, that the highest attainable civil liberty for all, consists in permitting every organized locality, Territorial and State, to regulate its own domestic institutions, slavery included. The doctrine originated in our own State ;\* and self-complacency may well become New-Yorkers, when the election of Buchanan shall evince that the doctrine is sanctioned by our Confederacy. It constitutes the sole issue of the coming election, and no doubt will be sustained by a large electoral majority. But the election of Buchanan is not enough ; he must have a Congress to support him, and State Legislatures to sustain Congress. We must show that enough thinking men exist among us to indulge weak brethren—Abolitionists, Free-soilers, Know-Nothings, Maine Lawists, political clergymen, &c.—in all the vagaries of fanatacism ; to indulge foreign-born citizens in all the mistakes consequent to ignorance of our complicated governments ; to indulge the most licentious press, the world ever saw, in its tirades

\* See "The Wilmot Proviso," p. 9.

of disunion, illogic, and madness ; to indulge even the paper self-called the head of American journalism, in its licentious advocacy of a union of all discordant factions for the sole purpose of securing the spoils of office ; and finally, to indulge in his dilemma even the smitten Senator who will not oblige his political friends by dying, or his political enemies by getting well, but keeps both results in painful suspense.



### THE VETO POWER OF THE PRESIDENT.\*

EVERY bill which shall have passed both Houses of Congress, must be presented to the President before it can become a law :—"If he approve, he shall sign it ; but if not, he shall return it, with his objections, to that House in which it shall have originated." This simple mandate of the Constitution, a latitudinarian construction attempts to dwindle into a power of rejection, only when a bill shall be unconstitutional ; or the two Houses of Congress shall have passed it without due deliberation. To thus relax the veto seems to diminish the powers of Government, and we become surprised at finding the relaxation among the tenets of politicians who characteristically enlarge the powers of Government ; but our surprise will cease if we remember that the relaxation diminishes restraints on the Legislature, the only usurping branch of our Government ; hence the means of usurpation become increased, just in proportion as the veto power becomes diminished.

*A President who subordinates his will to the will of Congress, subordinates the people to their servants.*

A Representative in Congress represents the two hundred

\* Published February 1st. 1851.

and thirty-third part of the United States. His constituents are locally contiguous, and *he* regards supremely *their* interests. A Senator represents the sixty-second part of the Union—the half of some one State, to which, alone, he is amenable ; and *its* wishes control *his* conduct. But the President represents the whole Union—States and people. To him, therefore, belongs properly a supervision over every bill, before it shall become a law. His disapproval of a bill is national, not personal ; just as the sentence of death pronounced on a convict, is a fiat of law spoken through a judge, who, personally, would shed no blood. A President should lose himself in his office, not lose his office in himself—or the humility of the officer will humble the office, and humble the people whom the office typifies. The humility of a clergyman may well incline him to refrain from censuring sins, sinner as he is in common with his congregation ; but he censures in the name of his Divine Master. So a house of worship—stone, brick, or wood—challenges all men within it to stand uncovered, not in reverence of the structure, but of the Deity to whom it is dedicated.

*A Veto is an appeal to the people as supreme arbiter.*

In law-suits, a demurrer arrests the proceedings till the Court shall decide the merits of the objection, and a Presidential veto arrests legislation till the people shall decide thereon at the next Presidential election. A veto is, therefore, in honor of the people, as a court of last resort. General Jackson thus considered it when, July 10th, 1832, he vetoed a re-charter of the United States Bank. Instead, then, of being a “one man power,” as its enemies delight to call it, a veto is the highest privilege that pertains to the people. Congress felt this, when they presented to General Jackson the above Bank Bill just before the expi-

ration of his first official term, and when he was a candidate for re-election. They knew he would veto it, and they wanted to subject his veto to the review of the people. The case constituted a direct appeal to the people by Congress and the President; and admirably illustrates the power conferred on the people by a proper exercise of the veto.

*A Presidential Veto is the people's only security against Congressional venality and usurpation.*

The people may remove a Representative every second year, and a Senator every sixth year; but a re-charter of the United States Bank could not not have been corrected by a removal of all who had voted for it. The contract would have been irrevocable, had it not been arrested by a veto; and such are all the cases to which a veto has been applied. Had Monroe not vetoed the Cumberland Road Bill in 1822, or Jackson the Maysville Stock Subscription in 1830, who sees not the extent to which such legislation would have been carried by Congress, whose organization favors such legislation—the roads which it should construct in any State, provoking every other state to procure like legislation? Nay, the representative of every congressional district would be ambitious to procure for his locality what any other representative had procured; hence, every step in such legislation would produce others in a compound progression, till legislation would degenerate into a scramble for spoils. Nor should we omit among the advantages of the veto, its check on the venality of so promiscuous and numerous a body as Congress,—to say nothing of higher officials. The Galphin disclosures of last year shocked morality; but who can help believing that the Galphin case was more peculiar in its exposure than its occurrence? The revival of old and often rejected claims against the

Government is become common ; and charity tries in vain to suppose that the claims are advocated disinterestedly in Congress. The veto of President Polk saved the country in his day from French Claim spoliators ; but his veto is more effectual in showing how a President ought to act, than it will be in finding imitators. The statute of limitations which every State enacts, is not designed to prevent the payment of just demands, but to provide against the evanescence of testimony ; so, if a public claim seems just after fifty years of rejection, we ought to infer that the facts are forgotten which showed its injustice, not that our predecessors were disinclined to be just. Legislatures cannot be bound by a statute of limitation, but they ought to be bound by the principle which alone makes such statutes just in any case.

*The Veto is powerless for evil.*

We often hear that a King of England would lose his head should he thwart, by veto, the British Parliament. The king, however, retains his position for life, and his veto is not susceptible of a quadrennial review by the people, like a President's ; nor reversible, by a two-third vote of the Legislature. Besides, the king vetoes to retain power, which the people are seeking, through Parliament, to wrest from him ; but a President vetoes to disclaim power and patronage, that Congress are attempting to invest him with by wresting it from the people. Such has been the character of all past Presidential vetoes ; and an exercise of the power evinces a victory by duty over personal ease, as may be inferred from the few vetoes which have been pronounced during our sixty-two years of national existence ; and inferred from nothing more clearly than from President Polk's sanction of the Oregon Territorial Bill, with the Wilmot Proviso superadded, and which uncharac-

teristic sanction he in vain sought to justify by an apologetic explanation. The people need not, therefore, fear that vetoing will be excessive. Its exercise demands rather the encouragement of every patriot ; especially, as its most mistaken application can delay but briefly what it may improperly arrest.

*The Veto performs for Legislation what Chancery performs for the Common Law.*

President Fillmore's implied declaration to veto a repeal of the Fugitive Slave Law, exemplifies, in its salutary influence over fifteen States, another utility of the veto power, especially when contrasted with the uneasiness which they evinced previously, by reason of the tenets of his party—that no veto was proper except against unconstitutional legislation. For nearly fifty years the slave States have deemed the veto their surest reliance against Congressional aggression ; hence the uniform desire of the South, that the President should be a Southron. This, more than his victories, caused the election of Gen. Taylor ; nor could Van Buren have been elected in 1837, had he not declared himself “a Northern man with Southern feelings.” Indeed, the veto is admirably adapted to mitigate the tyranny of a legislative majority, when the tyranny is to be exercised, as with us, over States organized severally, with all the machinery of sovereignty,—arsenals, munitions, revenues, a legislature, judiciary, militia, and citizens accustomed to local obedience ; and when, accordingly, Congressional tyranny is liable to disrupt the Union. In England, where a veto is practically unknown, no such urgency for its exercise exists ; for, how numerous soever may become the victims of a legislative majority, they possess no means of counter-aggression but unorganized brute riot and impotent clamor. The Court of Chancery is said “to break the teeth of the Common Law,” which would compel a man

to pay two thousand dollars, as a penalty, for not paying one thousand on a stipulated day. The Presidential Veto tempers, with equal beneficence, the tyranny of a Congressional majority, which can, by a plurality of one member, abolish slavery in the District of Columbia, enforce the Wilmot Proviso on the people of a new territory, or outrage otherwise the feelings of fifteen States.

*Unconstitutional Legislation is remediable without a Veto.*

The judiciary power of the United States extends "to all cases in law and equity, arising under the laws ;"—and to insure impartiality in the judges, they "hold their offices during good behaviour," and receive a compensation which cannot be diminished during their continuance in office. Now, as no act of Congress can affect an individual, except as he may be punished judicially for disobedience, he possesses in the judiciary as good a shield against unconstitutional legislation, as he possesses for the security of his life, *liberty*, and property. To say, therefore, with some politicians, that the veto shall be used only to prevent unconstitutional legislation, is to assimilate the veto to the fifth wheel of a coach,—which is proverbially useless.

#### *Conclusion.*

But the above politicians fail to explain why a President must not deem the constitutional knowledge of Congress better than his own, as well as its deliberate judgment in other matters. In short, the President's intellect is paramount in both cases for one reason only,—the Constitution makes it paramount. He must approve or disapprove ; and if, in any case, he subordinates his judgment to the will of Congress, he commits the offence of respecting Congress more than he respects the Constitution ; and it becomes wounded in its most delicate and vital part, by him who has been selected as its defender.

## THE PRESIDENT'S CONSTITUTIONAL ADVISERS.\*

OUR Constitution says: "The Executive power shall be vested in a President of the United States." He need consult nobody in the exercise of his duties, though "he may require the opinion, in writing, of the principal officer in each of the Executive Departments, upon any subject relating to the duties of their respective offices;" but now, such officers constitute themselves a cabinet council, and, like a British Cabinet, assume the Presidential functions, thereby committing a usurpation which no sanction of the President can legalize. But the illegality of the practice is its least evil. A British cabinet, being recognized as crown advisers, act responsibly, while ours, being a volunteer conclave, are like the cloud which followed in the rear of the Israelites,—they screen the President, and are themselves invulnerable. Nor is this all the evil:—every man's caution is heightened ratably, and every man's perceptions are ratably sharpened, by the degree of responsibility under which he is acting; hence, when the President transfers any of his personal duties to his Secretaries, they will act under less responsibility than the President, and therefore will act under circumstances less favorable to wisdom. But even a responsible cabinet possesses disadvantages in contrast with a single Executive. In a council of, say, seven men, the responsibility is divided by seven; and by a law of nature, a man's solicitude will be only proportioned to his responsibility, and his acuteness will be proportioned to his solicitude. A council of seven is, therefore, not a lens with a focal power of one multiplied by seven, but with a focal power of one divided by seven. The dismissions from office by President Taylor exemplify one of the

practical evils of this innovation. His ante-election disclaimer of removals for partisan differences, induced some people to favor his elevation ; and when his post-election conduct falsified the expectations therein of the people, the discrepancy was attributed to his Secretaries. The people, therefore, in a Presidential selection, can no longer exercise any control over the principles by which they will be governed, but are restricted to a barren choice between the persons of rival men of straw.

In short, we are arrived at a period when the character of our Government depends on the secretaries who chance to fill the executive offices. We know that the death of a recent President proved providential in behalf of public tranquillity, by occasioning the removal of a cabinet. A President may, doubtless, advise with his officers, and with all persons whose opinions may assist his own ; but that such advice shall become an admitted executive machinery, is to interpose an unconstitutional shield between the President and the people.




## THE CONSTITUTIONAL POWER OF CONGRESS OVER PUBLIC IMPROVEMENTS.\*

CONSTITUTIONAL KNOWLEDGE INCREASES WITH THE DURATION OF OUR GOVERNMENT.

WE are prone to suppose, that the higher we ascend towards the period when our political Constitution was framed, the greater must be the constitutional knowledge of the period ; but the Constitution contains permis-

\* Published February 1, 1851

sions and limitations that were not seen by its framers, and our descendants will understand its scope more definitely than we. The like may be said of Christianity, which, by the study of eighteen centuries, has received developments that render the knowledge therein of a modern divine, more comprehensive than the knowledge of the ancient Fathers. These consequences result from the nature of language. Every verbal proposition is like a mirror. It reflects the lineaments of the man who looks into it; hence, as successive ages of men increase their knowledge by study and experience, they see in every verbal proposition, what may have been unseen by all their predecessors; just as the Siamese twins can see in a mirror, what was never seen previously to their own advent. We need not, therefore, be surprised at the diversity of practice, which our Government has exhibited on the constitutionality of public improvements, nor at the still conflicting opinions thereon of our statesmen.

 *Obedience to the Constitution is more than a moral duty.*

Obedience to the Constitution is not idolatry, but a principle, on which, by the nature of our Confederacy, the durability of our Union is connected. The connection is not conventional, but organic; like the connection between virtue and happiness, vice and misery. We shall assume this connection, having proved it in the preceding article, entitled the "Philosophy of the American Union; or, the Principles of its Cohesiveness." We proved, also, that the Union will be durable, in proportion to the strictness with which the existing powers of the Constitution shall be construed; hence, should the powers of the General Government be enlarged by duly authorized amendments, the enlargement will diminish the cohesive principles of the Confederacy.

*The more our Confederacy increases in number of confederates and extent of territory, the greater becomes the necessity for restricting its powers.*

Proverbially; two families cannot live peaceably together in the same house, nor can the General and State Governments live peaceably together where they possess jurisdiction over the same matters; hence the more numerous our Confederate States become, the more numerous will become the occasions in which the action of the General Government will be liable to conflict with the local interests, feelings, or notions of some members of the Confederacy; and the more salutary will become the limitation of Federal powers. A bankrupt law is constitutional; but it has always created uneasiness, by interfering with State laws in relation to debtor and creditor: so the law enacted by Congress some few years since, concerning pilotage, was constitutional; but it created dissatisfaction in New-York, whose laws it overruled. The law which divided the States into single Congressional districts, was for a period openly nullified by at least one State, who continued to elect Congressmen according to its own enactments.

*The States, in being jealous of their sovereignty, obey an impulse that is conducive to social progress.*

Personal freedom is about as great in the provinces of Canada as in the United States; but the inhabitants of Canada are not accustomed (as we are) to invoke their own energies in aid of their social progress. They petition the mother country, and listlessly await the result, like a farmer, who, after sowing his seed, leaves the issue to Providence. The principle which makes the blacksmith's arm strong, makes strong our citizens, and makes the Canadians weak. When New-York first seriously contemplated the connection of Lake Erie with the Hudson River, she

felt like a child that was beginning to walk alone, and deemed the assistance of Congress an indispensable preliminary. That assistance fortunately failing her, she, first timidly, then boldly, called forth her own energies, and soon—her strength increasing with her efforts—completed the undertaking, and many kindred ones, besides rail-roads, and suddenly became the Empire State. And better, her example taught other States their latent energies, by which instruction our Confederacy is become intersected with canals and rail-roads, to an extent that the General Government could not have equalled in centuries, had it possessed all requisite constitutional powers.\*

*The Constitution must be construed with special reference to the limitary clause by which it was amended.*

The Convention which framed the Constitution intended to make a limited government, for they say, in Congress shall vest “all legislative powers herein granted;” thereby implying, that the powers of Congress are to be limited by the grant. Still, the preamble of the Constitution, and Section 8 of Article I., speak of “providing for the general welfare,” an expression from which some statesmen deduce almost unlimited powers in Congress. The States feared that a latitudinous ambiguity existed in these clauses, and hence, on adopting the Constitution, expressed a desire, that further declaratory and restrictive clauses should be added. The first Congress accordingly proposed, and the States subsequently ratified an amendment, that “the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.” This clinched the granted powers, and keeps them unextensible. The amendment,

\* In further elucidation of this principle, see post article entitled, “The Advantages and Disadvantages of Private Corporations.”

being subsequent to the Constitution, becomes the master-key to all that the Constitution permits; the pitch-note, and all constructions, must harmonize with it, and be controlled by it; hence every expression in the Constitution which would seem to confer unlimited powers, like "providing for the general welfare," becomes unmeaning, except as the general welfare can be promoted by the powers that are expressly delegated.

*Public improvements can be made by Congress only as a means to execute some granted power.*

We may proceed now without difficulty, in deciding, theoretically, the extent to which public improvements can be constitutionally prosecuted by Congress. The power is nowhere granted expressly; hence it exists in only the power "to make all laws which shall be necessary and proper for carrying into execution all powers vested by the Constitution in the Government of the United States, or in any department or office thereof." The war power may render "necessary and proper," that ships of war which are in Lake Erie shall be locked down into Lake Ontario; and any other public improvement or work will be constitutional, that shall become necessary and proper, to the execution of the war power. The power to "provide and maintain a navy," "to collect duties and imposts," &c., may render "necessary and proper" the erection of docks and light-houses; the construction of harbors and piers; the improvement of channels and rivers; and the placing of buoys and beacons. The works that may become constitutional are, therefore, as illimitable and various as the means which shall become "necessary and proper" to execute any of the granted powers; and without reference to whether the works are on a lake, inland river, or sea; ex-

cept that the location must result from the necessity and propriety for which the works are undertaken.

*Public improvements can be made only when the granted power to whose execution they are necessary, is sought to be enforced.*

After finding as above, that harbors may be constructed and rivers deepened, when the improvements are necessary to the collection of duties, the improvements can be authorized thereby, only when the motive is, *in good faith*, the collection of duties. To make the collection of duties a mere pretext for the improvements, would constitute a fraud on the Constitution. A United States Bank may be necessary and proper "to collect taxes, duties, and imposts;" but this will not render such a bank constitutional, unless Congress establish it for the purpose of such collections. The Constitution tolerates the bank as a means, and in no other way, just as the law tolerates homicide in self-defence; but if, for the purpose of perpetrating a homicide, we concoct a case of self-defence, we shall no longer be within the protection of the laws, but become murderers,

*No discretion of Congress, nor long acquiescence by the States and people, nor Judicial decisions, are authoritative against the Constitution.*

On Congress devolves the discretion of deciding what means are necessary and proper for executing the powers granted by the Constitution; but the discretion, how honestly soever exercised, will not make a bank constitutional, if such an agent is not necessary and proper in the premises; or the limits of the Constitution would exist in congressional discretion. The Supreme Court of the United States can always review the discretion, and control it. But this is not final; nor is any continued acquiescence

final of the States or people in any given discretion, nor any concurrence therein of former Presidents, or other eminent statesmen. These may lead a man to believe, that the discretion must have been constitutionally exercised, and will measurably influence every man; still, they cannot work an enlargement of the Constitution. Precedents can palliate subsequent errors, but not transmute them into rights, any more than the continued circulation of a spurious dollar can transmute it into a genuine dollar. Precedents are properly authoritative in courts of law, for they prevent a vacillation in judicial decisions, which, if erroneous, can be corrected by new legislation; but, if our National Legislature (Congress and President) shall deem itself bound by legislative precedents, no mode exists for correcting errors; "the salt will, indeed, have lost its savor, and wherewith shall it be salted?" and written constitutions, the American great improvement in government, will lose its quality of rendering principles immutable.

*No construction must enlarge a granted power, or it will produce a compound enlargement of the Constitution.*

The power to regulate commerce with foreign nations, and among the several States, will not authorize the improvement of rivers, lakes, and inland harbors, unless we enlarge the granted power by deeming it synonymous with a power to increase, create, and facilitate commerce among the several States. This enlarged meaning is accordingly given to the power "to regulate commerce among the several States," by persons who favor public improvements, and who thus bring within the power of Congress many river and lake improvements, which otherwise Congress would have no pretence for undertaking. We see, therefore, that to enlarge a granted power, effects a direct en-

largement of the Constitution, and an indirect one, founded on the direct. We need not, however, insist that the granted power "to regulate commerce," will never require, in its execution, the construction of any public improvement. It can, like every other granted power, be executed by every means that are "necessary and proper;" but we insist, that the "power to regulate" must be strictly construed, so that the public improvements, if any, which alone can be founded thereon, must be such as shall be *necessary* to execute the regulations.

*A granted power which possesses a definite meaning, should be construed to mean what is definite, or the Constitution becomes indefinitely extensible.*

The power "to regulate commerce among the several States," possesses a practical meaning, without resolving the word "regulate" into any word of a larger or different import. The State of New-York attempted to give Robert Fulton and others a monopoly in steam navigation of the Hudson River; but the monopoly was adjudged to be unconstitutional, to the extent that it excluded steam vessels under a coasting license of the General Government. The power "to regulate commerce among the several States," found here a useful exercise, and we know historically, that the power was granted by the Constitution for just such purposes. Indeed, nothing but this regulating power of Congress prevents any State from instituting a species of the English navigation laws, and thereby to monopolize the carrying trade within its State limits, and to prohibit, except in its own vessels, the entry into its ports of any productions of other States,—just as each State restricts to its own citizens its State offices, excluding new comers till after a residence of some years. Besides, if to regulate is

deemed equivalent to create, increase, and facilitate, and we apply the construction to the whole constitutional clause, namely, "to the commerce with foreign nations, and among the several States, and with the Indian tribes," Congress will obtain the power, not merely to improve inland rivers, and create lake harbors, but the power to create roads and canals everywhere, and nearly every other power. Startled at such a result, some statesmen limit the claimed power to rivers and lakes that connect two or more States—forgetting that you can scarcely travel a highway that will not lead from one State into an adjoining one, and over which highway commerce, between the two States, is rolling its wagons, and would beneficially glide its cars, if a railroad could be substituted by the General Government in place of the existing earth road. But the numerous arbitrary limitations that the advocates of such a construction adopt, to render limitable the power which they claim, shows that the assumed construction is untenable.

*Our Confederacy derives no powers from its nationality, not granted specifically to it by the Constitution.*

At the Chicago Harbor and River Convention, in 1847, eighteen States were represented. The Committee on Resolutions reported through a statesman\* of national renown, who embodied in his remarks the views of the Committee. He said, "A stranger unacquainted with the disputes which have arisen, would be surprised at the existence of a doubt, whether any human government could be so badly constituted, as to be incapable of applying the means at its disposal, to the protection and maintenance of any essential interests of the community, for whose benefit

\* J. C. Calhoun.

the government was instituted!" President Adams had previously used the same argument in his first Message to Congress. He said, "No government, in whatever form constituted, can accomplish the lawful ends of its institution, but in proportion as it improves the condition of those over whom it is established. Roads and canals, by multiplying and facilitating communications and intercourse between distant regions and multitudes of men, are among the most important means of improvement."

Arguments like the foregoing are become common, and that they are true no man need doubt; but the governments to which they are applicable, are not our limited Federal Agent, but our State Governments, in whom and their citizens, rest all the ungranted powers of nationality, and who, accordingly, have exercised such powers, by constructing railroads, canals, harbors, electric telegraphs, steamboat and steamship navigation, &c., to a degree that exceeds the coetaneous improvements of European governments. Indeed, the facts that our States and people possess the power to accomplish internal improvements, negatives the alleged absurdity of denying that such powers exist in the Federal Government, and even proves that the powers are not possessed by the Federal Government: otherwise, the Federal and State Governments would constitute two families occupying the same house, and proverbially no house is big enough for such a joint occupancy. The Federal Government was not instituted to supersede the State Governments, except where the States would conflict injuriously with each other, and in some particulars (external defence, &c.) in which the General Government could act for the whole more advantageously than each State could act for itself.

*Congress possesses a latitudinous power over the public lands.*

Nor is the assertion correct, that any of our rivers are unimprovable except by the Federal Government. All our rivers and lakes are within the limits of some one or more of our States; and where a river or lake traverses more than one State, each State knows the part over which it possesses jurisdiction; and to make therein all navigable improvements, is among the unquestioned powers of every such State. If, however, any river or lake shall be so peculiar, that its improvement will constitute a common benefit to the United States, the General Government possesses in the public lands a constitutional resource adapted to the occasion. The resolves of the old Confederate Congress, of Oct. 10, 1780, show that the lands were "to be disposed of for the common benefit of the United States;" accordingly the existing Constitution gives to Congress unlimited power "to dispose thereof." The power is not to sell, but "to dispose of;" and the mode of disposition is subject to only the discretion of Congress, as is also the purposes of common benefit, for which the disposition shall be made. River, lake, or harbor improvements, roads or canals, may constitute the greatest common benefit which the lands can subserve. To facilitate the settlement and cultivation of the lands, may constitute a common benefit that would make a donation of lands constitutional and desirable.

The lands also acquired by purchase from France, Spain and Mexico, Congress has power "to dispose of," and the power must, in the absence of directions, imply a discretion in Congress as to the purposes for which they shall be disposed of. The means that we thus possess for public improvements, are exempt from the excesses which have been apprehended from making such improvements by drafts on

the public treasury ; for the quantity of land is limited that can, at any given time, be advantageously available in making the improvements ; hence improvements of diffusive utility will probably be alone undertaken.

*Public improvements can be aided by a tonnage duty.*

Nor need the public lands be applied as above, except as an auxiliary to other constitutional means. The Veto Message of President Polk, of March 13, 1848, suggests a tonnage duty by the States, (with the assent of Congress, conformably to the Constitution,) as a resource by which a State may make public improvements within its jurisdiction. A vessel deriving a benefit from the improvements will as cheerfully pay therefor a reasonable tonnage duty, as a Philadelphia wagon pays cheerfully a toll in passing over a good turnpike road into New-Jersey. The State exactions which were objectionable under the old Confederation, were paid without any equivalent to the payer ; but the proposed tonnage duty will be graduated by Congress, and bear only a small proportion to the benefit that will result to each vessel in safety, increased draught, and facility of progress. A State furnished with such means for improving its navigable waters, may grant the tonnage to private corporations ; and thus our rivers, lakes and harbors would become improved on the principle of private emolument which has covered our country with canals, rail-roads, electric telegraphs, dry docks, &c. ; and which is connecting the Pacific and Atlantic oceans ; besides furnishing steam conveyances for mails and passengers over all the States, and to foreign nations. If we had perversely sought these services at only the hands of the General Government, the General Government could not have performed them to the extent we possess them, even if no constitutional impediment had existed.

Finally, when our original thirteen States formed the existing Union, its speedy dissolution was predicted by Europeans, for they supposed it was but a repetition of the old experiment of consolidating several antagonistic sovereignties into one. Indeed, so little was the element which preserves our Union, (the reserved powers of the States,) understood by many who founded the Constitution, that a deficiency of consolidation in the General Government was deemed its main defect. To remedy this defect, by a latitudinous construction of the Constitution, became a cardinal object of one of the great parties (the Federal) into which our citizens soon divided; and it has ever since constituted the chief element of our party divisions. Europe, however, is beginning to see why the predicted dissolution of our Confederacy has not occurred; and Germany and Italy are attempting the melioration of their respective dominions, not by the absorption, as formerly, of smaller neighboring States, but by confederacies after the manner somewhat of our Union. Should such confederacies be formed, we may well doubt whether the respective confederates (especially the more powerful ones) will be always content with the exercise of only such powers as will abridge the sovereignty of each confederate as little as shall be indispensable for the good of all. But we, the originators of the system, who under it have enjoyed, for more than sixty years, unexampled domestic peace and prosperity, have learned, we may fondly hope, that all our patriotic anticipations for the future are dependent, almost wholly, on the strictest practicable construction of our federal powers. We will be tender of our confederates even within the admitted powers of the Constitution; and, like St. Paul, "if meat make any brother to offend, we will eat no flesh while the world stands."

## THE MODE OF SELECTING A NEW PRESIDENT.\*

HAVING been one of your representatives in the late Baltimore Convention, you will, I think, pardon me for submitting to you the following reflections:—

Society is every where divided into two classes. The greater class constitutes the democracy; the smaller class the aristocracy. In every nation but ours, the smaller class controls the greater; hence, in our country the smaller class deems the authority of the greater a species of political usurpation. Numerical strength, however, which in all countries constitutes the only element of natural power, constitutes also, with us, the only element of legal power; hence our minority bear the double disadvantage of contending against both nature and law.

The weaker party is from necessity usually licentious in politics. Unable to defeat any measure, they are reckless what they oppose; and, unable to consummate any measure, they are reckless what they support. The majority is master of its own actions, but the minority, determined to disagree, can move only in opposition; hence when the majority, obeying the impulse of duty, points as now, its head North East, the minority (like the baser extremity of a weather-cock) must point South West. These are the ordinary characteristics of nearly all political minorities; but the minority with which we contend, from the peculiar difficulties of their position, and deeming themselves like deposed monarchs, deprived wrongfully of power, by mere brute force, are extraordinarily licentious. They seem to feel the maxim, that any warfare is justifiable against rebels; hence their principles, (if principles that may be called which principle has none,) permit them, (since they cannot rule,) to derive

\* Published June 9, 1835. Addressed to the Democratic Electors of the 17th Congressional District of New-York.

an emasculate gratification in frustrating the majority, and for this end to lend themselves to any fraction of any party which is treacherous enough to receive such assistance, and numerous enough to render the treachery available.

To counteract an enemy thus inclined, a national convention is admirably adapted, and in proportion to its efficacy are the misrepresentations against it of the minority; but their efforts, like the wind which sought to dispossess a traveller of his cloak, only cause the people to press the institution more closely to their hearts.

In the selection of a chief magistrate, our national compact coerces the States to regard the preferences of each other,—a majority of all being necessary to a choice of President even by the House of Representatives. But the electoral colleges, also, must regard each other's preferences; for, should each State insist on a candidate of its own, we should find as many candidates as States. The three largest States would thus engross the Presidency, for they would perpetually originate the three highest candidates.

But though the Constitution insists on concert, it says not how concert shall be attained. Equity has supplied the deficiency by inducing a concession that the President should be selected from alternate sections of the Union, and by the preference of the largest mass of the people.

To ascertain the preference, two modes have been adopted:—a nomination by detached masses of citizens, and a nomination by a convention from all. The first mode exhibits nothing but the preferences of the nominating party, but it advances not a step towards concession to conflicting preferences.

A nomination by convention commenced in 1800. The convention was held at Philadelphia in May, and was composed of the democratic members of Congress. Its

first fruits was the election of Thomas Jefferson. Similar conventions gave to the nation James Madison and James Monroe: and subsequently, by a kindred convention, Andrew Jackson. National conventions have therefore originated our Presidents for the last thirty-six years, with the exception of the first term of General Jackson, when the unequivocal voice of the people rendered a convention unnecessary, and with the further exception of four years, when Mr. Adams administered the office in opposition to a convention. What a lesson we may read in this simple recital! The only President elected in opposition to a convention—Mr. Adams! His diplomacy is connected with nearly all our treaties, and his life has run parallel with our whole history. Possessing, also, patriotism ardent and acknowledged, a resolution steady, and a comprehension extensive, yet he failed utterly in satisfying the country, and it lay under his guidance (and without fault of his), like Samson shorn.

Had Providence designed a contrast of men and circumstances to teach us the secret of our strength, the contrast could not be more striking than in Mr. Adams and General Jackson, and in the events of their administrations. To all human views, Mr. Adams in his highly wrought statistical education possessed every advantage for success; and General Jackson in his simple military occupations, every disadvantage. I will not run an ungracious parallel between these distinguished individuals, but while every heart is glowing with gratulation at the position of our country, (with the Bank dead at its feet and France abashed at its rebuke,) we may see in the contrast to which I have alluded, that to be a powerful nation at home or abroad, we must possess not merely a competent, but a popular President,—and to be popular, he must be the offspring of

the democracy,—brought into being at their own time and in their own way, and hence feeling a moral obligation to conform to their views of government and policy. The more decidedly an administration is marked with democratic characteristics the more popular it will be, and hence the more powerful and useful. A coalition administration is as ill adapted to our habits, as an amalgamation of religions, or a community of property. With all the energy of General Jackson, we might have fallen dishonored slaves into the arms of the Bank; and self-condemned as the nation was by the dodging of the Senate and House of Representatives, we might have shrunk out of France, spurned from the presence of offended Louis Philip, had not, in both cases, the people recognized in Gen. Jackson the chosen representative of their own image.

After 1824, congressional conventions were superseded by conventions similar to that of Baltimore. They indicate opinions with more freshness than congressional conventions, and in the most fraternal manner, they enable every State to protect its local interests with its full constitutional strength. Of the estimation in which the people hold nominating conventions, history furnishes a few instructive examples:—

On the resignation of President Jefferson, two candidates divided the preferences of the democratic party, and, for a period endangered its supremacy. In this dilemma, a convention on the 19th of January, 1808, was held at Washington of all the democratic members of Congress, with the exception of 35. Ninety-four assembled, and they nominated Mr. Madison for the succession. Mr. Monroe not only acquiesced in this expressed will of the majority, but he subsequently strengthened the government of his competitor by conducting the Department of State.

The democracy of both candidates was unquestioned, and had Mr. Monroe resisted the regular nomination and become an opposition candidate, he might have soothed his conscience by supposing that his election involved no change of national policy. Mr. Monroe reasoned more wisely. A woman who submits to be maintained by a libertine, and expects to preserve her purity, is not more ignorant of human nature, than a politician who submits to be elevated by his political enemies, and expects to retain his party principles.

At the termination of Mr. Madison's second term, two candidates again divided the preferences of the party. A convention was held at Washington, March 16, 1816, of 119 members of Congress, being all the democratic members except 19. A strong disposition existed towards Mr. Crawford, but Mr. Monroe received the nomination by a majority of 11 votes. The eventual elevation of Mr. Monroe well illustrates the Roman political axiom, "make haste slowly," for no man believes that Mr. Monroe would have been President in 1816, had he been a factious candidate in 1808.

Again the unsuccessful candidate acquiesced, and accepted office under his competitor. That Mr. Crawford gathered not the full fruits of his integrity, arose solely from a providential infliction which many persons deemed overwhelming. The estimation, however, in which the public held his former acquiescence, may be read in the address to the people, of the Nominating Convention of 1824. It says: "We must remind you, that the candidate whom we recommend, has established a peculiar claim to the esteem of the democratic party, by his manly and disinterested conduct upon a former occasion, under the strongest temptation to become the instrument of compromising its integrity."

We will now turn to those who have refused to acquiesce in the will of the majority:—In the Convention of 1800 which nominated Thomas Jefferson for the Presidency, and Aaron Burr for Vice-President, no diversity of opinion existed, as to the respective stations which these citizens were to occupy. When, however, by a defect in the Constitution, the House of Representatives were to elect between Jefferson and Burr, a temptation was presented to Col. Burr, of becoming instrumental “in compromising the integrity of his party.” Col. Burr’s own views of what was due to the will of a majority, is found in his letter of Dec. 16, 1801, to a gentleman then and now living in Baltimore, and which was published at the time. It says, “every man who knows me, ought to know that I would utterly disclaim all competition with Mr. Jefferson. My friends would dishonor my views, and insult my feelings, by a suspicion that I would submit to be instrumental in counteracting the wishes and expectations of the United States.”

These declarations seemed explicit, but the presidential contest which ensued in the House of Representatives, laid a heavy hand on the political character of Col. Burr. If he really intended no competition with Mr. Jefferson, if a mere suspicion of such an intention has been sufficient to produce the events which compose the subsequent political history of Col. Burr, we may learn even more strongly than though he were guilty, the estimation in which the people hold an attempt to rush uncalled into their high places. Even New-York, from whose affection Col. Burr had derived his potency, forgot that she was a mother, when she thought he had forgotten to be a worthy son; and in 1804, when he was a candidate for her chief magistracy, he scarcely received a vote of all that had constituted his former

supporters. His votes were of those who, in the language of their party, of two evils choose the least; meaning thereby, the candidate most repugnant to democrats.

In 1812, another instance occurred of dissent from the decision of a presidential convention. The preferences of the democracy were divided between Mr. Madison, who was a candidate for re-election and Mr. Clinton. A nominating convention met at Washington, May 17, 1812. Out of 133 democratic members of Congress, only 82 would attend, and they voted unanimously for Mr. Madison. The friends of Mr. Clinton stigmatized this meeting as a convention of only Mr. Madison's supporters, and hence deemed Mr. Clinton not implicated by its decision. The people thought differently. To fly a court, will not, in such a case invalidate a verdict.

The Legislature of New-York contained 91 democratic members, of whom the whole (excepting 4) nominated, unanimously, Mr. Clinton for the Presidency, eleven days after the congressional nomination of Mr. Madison. In an address to the people of the United States, they say: "We offer you a chief magistrate, whose principles you cannot doubt, and of whose competency and talents you are well convinced. Gratify us by his election. He enjoys our utmost confidence. He inherits the blood, the principles, the firmness of that hero, whom we and our fathers long delighted to honor,—who was the guardian of our State when the enemy desolated our lands, and burned our towns; and whose valor and wisdom contributed eminently to the triumph of America. We urge these facts as a claim; but if we urged them even as a persuasive, what American heart susceptible of feeling or gratitude, would repel our claim?"

The American people did repel the claim, indignantly

and triumphantly. The American heart is tender in a good cause, but it is also adamantine, when its rights are usurped. Whether Mr. Clinton or Mr. Madison should be the President had become merged in the greater question of—whether, like the ancient English, we should enlist under the personal banners of a white rose and a red, or contend as heretofore under the stars of the Union.

The address in favor of Mr. Clinton said much, but it was cold in comparison with the fervor with which that extraordinary man was cherished by the State. I have seen him in our State Senate when the slightest intimation of his judgment commanded the deference of the most sagacious of its members. He was young in comparison with many of his colleagues, but the most aged yielded him reverence. Nature had formed him beautiful, and the constant indication of his superiority had given him the port of authority. His elevation was fearfully high, and, in an instant, he fell. A change so complete in the fortunes of an individual, a reversal so sudden, men seldom witness.

History records of the first Brutus, that having as judge condemned to death his two sons for conspiring to place executive power where the Romans had not willed it; and having waited to see the young men stripped, beaten with rods, and beheaded, he retired from the tribunal to indulge in secret his parental feelings. So New-York still loved Clinton amid her sternest inflictions. Yet not till years of penance, and the most signal benefactions, could he regain power. Even then, while the splendor of his achievements rolled forward his triumphal car, it was cheered most by those whom in better days he had resisted; and amid their loudest plaudits, he must occasionally, like Napoleon, have mourned the absence of the more inspiring early cry, "Live the Democracy!"

Ostensibly, Mr. Clinton had but acquiesced in the wishes of the State, yet so accustomed were the people to sympathize with his desires, that with more justice than is at first apparent, they held him accountable for their own aberrations. The legislative members who nominated him were never blamed, for they but obeyed the wishes of their constituents. In accepting the nomination, the same palliation was not permitted to Mr. Clinton. The whole Union are the constituency of a President, and the commands of the Union can alone legitimate an aspiration to the office.

We thus discover that the two instances which have occurred, of opposition to the general will, have proceeded from New-York. In both instances New-York has also punished the defection, till the sternest justice became satisfied ; and now, by one of those retributions with which Providence delights occasionally to visit States as well as individuals, the principles which her severities upheld are to be exercised for her benefit, thus proving that honesty is as good policy for nations as for men.

Still, though New-York honors the individual\* who is nominated for the Presidency ; though he is emphatically her favorite son, (self-nurtured in her woodlands wild,) and one from whose services to the Union she expects honor, she sent to the Convention with no instructions but to ascertain on whom the preferences of the nation rested, and him having ascertained she would support. And I err greatly if the individual who was nominated, would not have urged the Convention to disregard him, if another person united the preferences of a larger portion than he, of the democratic party. Nay, he would not in such a case have accepted the nomination. He would join no proceedings whose object was the frustration of the general will.

\* Martin Van Buren.

So conscious of this, are his political enemies, that he has never been sullied by their support. Like the honest magnet, he repels as unequivocally as he attracts.

The North will never possess a candidate more entitled to the confidence of the South. But he needs no delineation, nor is his capacity the question before the nation; but rather whether democratic councils shall continue to prevail or party become a chaos. Should this occur, I fondly believe in the energies of the people to recover a healthful existence. Yet party confidence will have received an ungracious stab. Party confidence is the strongest bond of the Union. Like the relation of husband and wife, it destroys individualities. Instead of a Southern interest, a Western, and an Eastern interest, it provides a general interest; and makes the election of every President, a triumph not of a section, but of the whole.

I have supposed that the antipathy which the people entertain for federalism,—the instinct by which they discover it, under whatever name it seeks concealment,—and the delusion which induces our opponents to persevere, and causes them (flattered by the smallest victories) to hope that they shall eventually subdue the majority, are all benevolent dispensations of Providence, to divert us from the fatal divisions to which we are exposed by local prejudices.

Finally, I will not speculate on improbable evils. The nomination of the Convention will be sustained, and with too feeble a resistance to yield to patriotism the excitement of a contested triumph. The late elections in Virginia are an evidence of the haste with which the South will rush to the rescue of their character from the imputation, that conventions are obligatory only when Southern men are to be nominated. The South will perform its duty, and the West; and this first serious attempt to show practically

an unconquerable distrust and irreconcilableness between the great sections of the nation, will yield only another and a strong evidence, that our Union is too dear to the people, to be in danger from the ambition of individuals.

## CHAPTER III.

### OF THE ACQUISITION OF NEW TERRITORY.

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#### THE ANNEXATION OF TEXAS.\*

ANNEXATION has been urged as a measure necessary to the perpetuation of Slavery, and this argument has been addressed not merely to both Houses of Congress, but obtruded upon foreign nations; and latterly, to create a common interest in such nations† in favor of slavery, the institution has been lauded as a powerful instrument of commercial superiority over Great Britain. Our statesman seems not to have suspected that his proposed slavery means of commercial advantages over Great Britain was obnoxious to a large portion of mankind. We at the North are of that portion, and nothing has so much prejudiced among us, the whole subject of Texas annexation, as its supposed connection with slavery. This has induced me to examine whether a true issue has been made up in reference to the contemplated annexation, or whether a casual incident thereof, favorable to only one interest, has, not unskillfully, been made to assume an undue prominence, and even to usurp the place of better, more direct, less contingent, and more general interests; and especially whether the claim of exclusive benefits from the measure to the South, has not reacted by artificially investing it with an exaggerated potency for evil to the North.

\* Published in 1844. † Correspondence of J. C. Calhoun, Secretary of War.

By the Constitution, no agency that touches slavery, is delegated to the General Government, except the power of prohibiting the importation of slaves into the United States—a power which has been exercised so rigidly, that for an American vessel and crew to engage in the slave trade constitutes piracy, and is punished with death. The annexation of Texas would bring that country within the above provision, and to that extent is limitary of slavery; for she can now employ her whole marine openly, in importing slaves from Africa and elsewhere, and with no power in other nations to gainsay the traffic, unless she has for the time being surrendered the power by treaty, and of which I am not informed.

Only one other provision of the Constitution relates to slavery. In the apportionment of representation among the several States, every five slaves are enumerated as three persons. This provision is relied on more than any other, as a self-evident advantage by the South over the North; indeed a petition has just been presented (no doubt in bitter irony) to the House of Representatives, demanding that the cattle of the free States shall be represented, as an equivalent for the representation allowed to Southern slaves. I cite this to prove that a portion of our citizens believe that the representation allowed to the slave States is aggressive to the others. Suppose, however, the slaves of South Carolina were to escape in mass to our State, and elude reclamation, every five of them would count five; and our ratio of representation would be increased accordingly; though they would be as incapable of voting at our polls as they are at the polls of South Carolina, for not one of them would possess an unencumbered freehold of the value of two hundred and fifty dollars.

Many persons canvass this subject without discrimi-

nating between the right to vote and the right to be represented. The General Government leaves to every State the power of deciding who shall be voters. The slave States can give the elective franchise to their slaves, and still every five of them would count as only three, in adjusting the number of Congressional representatives to which the State is entitled, while we may withhold the right of franchise from any classes of people, and still every five of them count five, in adjusting the number of our representation. Is this an enviable difference in favor of the South, and calculated to add unduly to their power over the free States? The natural power of different Commonwealths is proportioned to the relative number of their inhabitants, irrespective of the color of their skins. This scale of power is ordained by God, in the muscles and sinews which are given nearly alike in strength to every individual; and this test would have decided the relative power of our different States, had not another been adopted by the Constitution; and which by counting every five slaves as only three persons, clearly takes from the slave States a natural power of greater force than the conventional power it confers. The framers of the Constitution seem to have assumed that the Federal power accorded to the slave States was a sacrifice of natural power, for they compensated it by a corresponding diminution of the burden of Federal taxation. This compensation has failed by a change in the practice of the Government. The South might therefore well contend that the consideration having failed, their sacrifice of natural power should fall with it. Nor can I see the propriety with which we object to slave representation,—we at the North “who hold the truth to be self-ident that all men are created equal.” The Constitution elevates a slave to three fifths of the constituent immuni-

ties of a free man ; would we quite level him with brute beasts, by casting him entirely out of the constituency of his State ? That his State deprives him of liberty is no reason for us to superadd thereto, an exclusion also from being represented in Congress ?

The Constitution contains on the subject of slavery, only what I have enumerated ; hence whether Texas will or not increase the number of our slave States, the North cannot be thereby injuriously affected through any agency of the General Government. Thus was the subject viewed by the founders of the Constitution, or they would not have left slavery dependent on the volition of each State. Thus, also, was the subject deemed by the States themselves during a long course of years, or their number could not have increased from thirteen to twenty-six ; for as the admission of new free States must be as aggressive to the South as the admission of slave States is to the North, every new State that sought admission, would have been shipwrecked between the Sylla of slavery, or the Charybdis of no slavery.

But abandoning hypotheses, I would invite such of our citizens as are disposed to balance the good and evil of any measure, and to be governed in their preferences by the preponderance of the good, to look at the certain benefits that must result from the acquisition of Texas. It is in size about equal to six times the dimensions of our Empire State, with a climate said to be salubrious, and giving us a monopoly of the finest cotton land, and of the finest cotton that the world produces—an article which is yet in a giant infancy, as relates to its commercial importance to our country and the world, and its many ministrations to the comforts of the poor, and the gratification of all classes. Under the auspices of our Union, this immense country will become the

home of millions of human beings ; not drawn from other regions to depopulate them, but a new growth of immortal and intelligent beings. In the birth of such an empire, with its ramified consequences to the end of time, can we see nothing but the question of slavery ? Is the introduction nothing into such a region of our language, with its literature ; and our laws, customs, manners, arts, religion and privileges ? Is the addition nothing, of such a territory to our home, such a multitude to our family circle, with whom we may interchange location without adopting a new allegiance ; and interchange productions without the obstructions of conflicting nationality ? The acquisition of these benefits seems to expand each man of us into something more than our present stature ; and to give to every mechanic, manufacturer, merchant, and cultivator of the soil, some source of additional activity and prosperity.

I know, however, that many persons believe our Union is already sufficiently large for strength ; and that additional extent will only encumber us. If we examine this notion, we shall find it is founded on analogies that are not applicable to our condition. When an empire is composed of conquered nations, that are continually struggling to regain their lost independence, every new acquisition divides the strength of the conqueror, and he becomes exhausted by the division. But our Union is voluntary, and, like an arch, constitutes a reciprocation of strength which all the members yield to each, and each yields to all. Such is the result of our system thus far ; and the experience of half a century of peace and war, is a safer indication of its nature than the conjectures of any theory.

But are we willing that annexation shall be obtained at the expense of a war with Mexico, and perhaps with Eng-

land? This question is best answered by ascertaining whether annexation is compatible with our duty as a moral and Christian people; for no nation is required to avert war, by any other means than to act justly. Next April, nine years will have elapsed since the capture of Santa Anna and his army, by the Texians, at the battle of San Jacinto. Mexico has ever since refrained from the subjugation of Texas, from a want of power, or an abandonment of its exercise. In the War of our Revolution, the capture of Burgoyne by our troops was alone deemed so virtual a seal of Independence, that France forthwith treated with us as an independent nation; though her obligations towards Great Britain with reference to us were as great as our obligations to Mexico, with reference to Texas. In the recent struggle between the provinces of Greece and the Empire of Turkey, nothing occurred that will compare in decisiveness with the battle of San Jacinto, or the acquiescence of Mexico; still England and the other principal governments of Europe decided that Greece had virtually freed itself from the authority of Turkey, and they assisted in consolidating her provinces into a separate kingdom. The same sovereigns, at the subsequent revolt of Belgium from the authority of Holland, allowed the King of Holland a brief period to reduce to obedience his rebellious province, but prohibited him from continuing, in vengeance, efforts that were seen to be ineffectual for the purposes of subjugation; and Belgium also was organized into an independent kingdom. These results differ from the incidents of remote history, but the difference is claimed by the governments of Europe, as a triumph of justice over physical power, whose reign terminated, they say, with the overthrow of Napoleon. England, therefore, is morally estopped, by her own practices, from any exceptions

against the independent volitions of Texas, and in the judgment of all Europe, as evinced by the foregoing cases, Mexico has no just cause of offence against us, by our disregard of her latent sovereignty. We are apt to estimate the right of Mexico to Texas, as identical with a man's ownership of a chattel. But I deny that the rules of ownership which apply to chattels, should apply to the sovereignty of one nation over another. In the spirit of our Declaration of Independence, and nearly in its language, all governments are instituted for the happiness of the governed ; hence the right of Mexico over Texas is instituted for the benefit of Texas ; while the ownership of Mexico in a mere chattel, is for the benefit not of the chattel, but of Mexico. We have the authority of the Word of God for a still more restricted estimate of the proprietary right of nations. The division of the earth into distinct sovereign ownerships is a contrivance of man, instituted for his social benefits ; but revelation declares, that the earth is the Lord's, and the use thereof is for man in common. In this enlarged sense, Texas, so far from being the property of Mexico, is not exclusively the property of the Texians, except as their use of it quadrates with its usefulness to all men in common. On this Christian principle, and on this alone, was justified the recent successful attempt by Great Britain, to constrain the people of China to relinquish the exclusive monopoly which they have usurped for ages over the regions which they inhabit. On this principle alone we can justify our forcible obtrusion on the aborigines of America ; and our compelling them to abandon to us such lands as they could not use themselves beneficially to the common rights of all—in thus acting, instead of being wrong-doers, we are but fulfilling the command of Providence, to multiply and replenish the earth, and subdue it.

## TEXAS ANNEXED.\*

THE Bible declares that in a multitude of counsellors is wisdom. The truth of this proverb constitutes the safety of our country, for what nation but ours possesses 20 millions of counsellors ; and it constitutes the glory of our institutions, for what government but ours exalts every man into a counsellor of state. And nothing verifies more clearly the scripture above quoted, than the Annexation of Texas, which is strictly a product of our 20 millions of counsellors, against Presidents and aspirants to the Presidency, with a United States Senate superadded ; and against the combined spectres of sectional, partisan, and Abolition ravings. The evidence thus furnished to ourselves, of the intelligence of the most unschooled part of our constituency, (for these rather than the better conditioned advocated the measure,) is worth morally more than Texas, how much soever any of us may prize her. It proves distinctly that the people are not merely sovereign by law, but that they are intellectually capable of sovereignty, and morally deserving thereof ; while every true-minded man who appreciates such a combination of intelligence, must ejaculate in his heart, Bless the people ! May their reign be perpetual. And what an evidence is thus furnished to the world, that wisdom is subserved by giving to the people the powers which our institutions accord to them, despite the prejudices of Europe, that the art of government is suited to the capacity of only a favored few ; for who sees not now, that annexation is better for humanity, than that Texas should have been cast back into the slaughter-house of Mexico, where anarchy, civil war, and a consequent mas-

\* Published in 1845.

sacre between contending factions, are ordinary occurrences ; where travellers must hire an armed escort, or fall a prey to banditti, which the Government is too feeble to suppress ; and where consequently civilization is retrograde and population stagnant ? Who sees not now, a political benefit, in the addition to our country of a multitude of patriotic citizens of the temper of the Texians. A noble people, who, unterrified by threats of war, unseduced by the vanity of nationality, and the promises of commercial and pecuniary favors, declared for annexation—not one dissenting voice in the congressional representation of the whole nation ; and dragging with them a chief magistrate, vainly struggling against the popular will. And who sees not now, a benefit in the acquisition of a fruitful territory ? If a man happens to be a producer of nothing but children, (a branch of industry in which the poor seem more expert than the rich,) a new demand is created for them in the beautiful cotton lands and sugar plantations of Texas.

But connected with annexation are considerations which yet demand the counsel of our 20 millions. Never before have arms and bribery been invoked, and three nations confederated together, to prevent an independent sovereignty from voluntarily relinquishing its nationality, and merging itself into another Government,—this too when the proffered terms of admission by the receiving nation, are something less than liberal ; a sort of initiatory fee being demanded of the incoming member. We have required the Texians to surrender to us their forts, arsenals, navy-yards, and ships of war, while the debts, by which these forts, arsenals, and ships were constructed, are still to be paid by the constructors. Even the import duties, by which alone public debts can well be paid, we require the Texians to surrender also. What a contrast is here

exhibited by Texas, to the agony of Poland, at a connection with Russia; or to the agitation of Ireland, to be released from her union with England! Should not justice in these exactions be accorded to Texas, by our coming Congress? Her debt is the price which she paid for her sovereignty, to say nothing of her blood, above all price; and when we accept from her a surrender of this sovereignty, can we wish to leave her burdened with its cost, and thus take advantage to her injury, of her patriotic yearnings to re-unite her citizens with their pristine family? and when we take possession of her ships and fortresses, with what heart can we turn out their brave defenders, and replace them with men who never bore the heat or burden of achieving Texian independence?

And in the annexation of Texas, lies something further, that our millions may well contemplate, as indicative of their future destiny. Till lately, Texas was an unexplored waste, where, perchance, a wanderer had painfully forced his way, and given to some few streams a name significant of barbarous or foreign associations; now it is fast being dotted over with habitations, whose inmates possess our language, laws, and institutions. Already some of our citizens may be preparing to reach this but recently foreign land, and to checker it with electric telegraphs, and bring it within the compass of our rail-road and steam-boat excursions. Above it, and around, are regions still more remote, not as heretofore, blank spaces on the world's map, but as bountiful fields, towards which our civilization is fast pouring with an impulse that must sweep away the metaphysical obstructions, that would fasten these fine regions, like a widowed Gentoo, to the dead body of a nominal lord. The earth's occupancy is the right of man; and when men occupy, theirs is the right to pursue their

own happiness under such a form of government as they shall deem most conducive to that end ; and in connection with any other government they shall wish, or in an independence of all connection. Such are the dictates of nature ; such the teachings of revelation ; and if in practising on these tenets, our nation shall come in conflict with powers that would selfishly abridge the rights of man, we must, as heretofore, look to our duties, rather than to the hazards of performing them.

## CHAPTER IV.

### THE RELATIVE MERITS OF EXISTING PARTIES.

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#### THE ANATOMY OF POLITICS.\*

WE may as well believe that the seasons succeed each other by chance, as that chance has caused the fifty years' ascendancy in our country of the Democratic party. Our two main political sects obey opposite impulses, as naturally as the North and South points of a magnetized needle. The Whigs, who recently opposed the annexation of Texas, and now deprecate acquisitions from Mexico, are the same party that two generations ago opposed the annexation of Louisiana, and who recently generated a faction to exclude adopted citizens from official stations, "that the children's bread should not be cast unto dogs," and that fifty years ago quarantined immigrants fourteen years before they could vote. So, while Democrats have constantly struggled to accord political equality to all citizens, the Whigs have constantly exhibited a desire for property qualifications in voters and rulers. Indeed, the predilections are so marked of the two parties, that when posterity shall read that, in 1844, the people of Rhode Island rebelled, as the only attainable relief from a Constitution which enabled a few property-holders to control the State, every reader will know instinctively, that the Whigs withheld the melioration.

\* Published March 21, 1848.

These opposite practices proceed from opposite feelings. By the Democrats our boundaries are never large enough for the benevolence that would provide a happy home for all men, while the Whigs deem our boundaries too large already for the selfishness that looks to only exemption from danger. By Democrats poverty and ignorance are benevolently deemed curable by the enticements of political privileges, while the Whigs deem poverty and ignorance manageable by only political restraints. Excessive reverence for the rich, wise, and powerful, characterizes the Whigs, who delight in designating some men as "god-like," and others as "dear leader ;" while Democrats sympathize with the humble in preference to further elevating the exalted, and making the strong stronger and the rich richer. The same excessive reverence for power inclines the Whigs to a latitudinous National Government, and to a disfavor of State rights ; while the dread of power inclines Democrats to a strict construction of the Constitution, and a respect for State sovereignties.

The continued ascendancy of the Democratic party proves that a majority of our people are Democrats ; hence the Whigs can never obtain political power, except by some artifice, which enables their proper smaller portion of the people to outnumber at the polls the larger portion. To effect this unnatural conversion, they select for Governors and President, candidates as little tainted with Whig peculiarities, as is compatible with the partisan services expected of the candidate—candidates who possess some odor of democracy. Mr. Clay derives all his Whig availability from this odor, acquired in opposing the Whigs in his better days. Indeed, a man's availability as a Whig candidate must be in an inverse ratio to his Whig orthodoxy ; hence Daniel Webster, who was always Whig, possesses

no availability. Gov. Young's recent patriotic opposition to Mexico has greatly impaired his Whig standing; but it has, in an equal degree, enhanced his availability as a Whig candidate at any future election; while Mr. Clay's recent Lexington speech in favor of Mexico,\* has enhanced his Whig standing to almost idolatry, but it has destroyed his availability. His admirers are again essaying to roll him up the steeps of power, but he can never attain the summit; and he will probably be cast aside like Webster, as too good a Whig to be nominated.

The same reasons prevent the Whigs from enacting their most cherished measures, when they happen to possess a majority in Congress, or in a State Legislature. Nothing, for instance, is more abhorrent to the Whigs than the existing restraint on our State Legislature against borrowing; but they forbear instituting enactments for its repeal, deeming such a consummation too Whig to be successful. So in Congress, while they constantly declare the Mexican war unconstitutional, unnecessary, and a wicked slaughter of women and children, they have not dared to negative votes of thanks to the generals and soldiers who perpetrated these Whig-denounced acts.

The Democratic party, on the contrary, constituting naturally a majority of our electors, know that Democratic nominations will be likely to succeed, in proportion to the Democratic orthodoxy of the nominees; hence, in 1844, the Baltimore Convention rejected several prominent Presidential candidates, and nominated Mr. Polk, his feelings towards Texas and Oregon being more Democratic than the feelings of his rivals. This selection of a comparatively humble individual, with nothing to recommend him but his Democratic orthodoxy, was so variant from the practice of

\* We were at war with Mexico.

the Whigs, that they asked exultingly, who is James K. Polk?—implying thereby, that his deficiency of personal importance would ensure his defeat. But what can be wiser than thus to present to our electors principles to be voted for in the person of some candidate, rather than to present some candidate to be voted for as a wonderfully wise bel-wether, whom the people are to admiringly follow. Providence has not been so partial in the organization of individuals as to make one man superior to the united wisdom of a majority of his fellow-citizens; hence the people collectively must ever be wiser than their rulers, and hence rulers exhibit more wisdom in subordinating their individual notions to the will of the people, than in persisting, as some have to their cost, in thwarting the popular will, and demanding a “sober second thought.”

When we thus see the organic difference of our two main political parties, who can avoid hoping that Democracy may continue to prevail? Who can see the patriotism, for instance, with which in times of danger the poor rush to recruit our armies, and not desire them to participate fully in civil honors? If Democracy, in its good will to all mankind, is pursuing an unattainable end, let us find the error experimentally, and mourn over the frustration of bright hopes; but let us not assume the failure by a condemnatory creed, like that of the Whigs.

But in the approaching Presidential election, the Whigs are answerable for more than the possession of a repulsive creed. Forewarned by the historic odium of their opposition to the war with England of 1812, they determined to avoid all factious opposition to the Mexican war; but, alas! “man proposes but God disposes.” The ball that is placed on an inclined plane will roll onwards and downwards, despite the intention of the man who placed it there. So the Whigs, who

at the commencement of the present war meant to be only a little politic, by claiming the merit of voting against their conscience rather than withhold aid to Gen. Taylor, became soon, by their minority opposition, sufficiently factious to procrastinate subsequent supplies of troops, till the sickly season destroyed more of our new recruits than the arms of Mexico. Opposition extended thus far in the first year of the war. A second year found the procrastination of supplies converted into an almost certainty of their being withheld, conjoined with incipient threats of impeaching the President, and of coercing a relinquishment of all our Mexican conquests; with aid and comfort to the public enemy in every way, compatible with exemption from the laws of treason. The actors in this sad spectacle must, in prospect of the present peace, feel like the Committee of the Hartford Convention, who, when they arrived at Washington to compel the Government to surrender to Great Britain, found peace had left them nothing for their errand but ceaseless shame. Peace left, however, something to be performed by the people—the condemnation of those who had arrayed themselves against their country in its hour of need. A similar duty will devolve upon the people now, and before another year history will again record, for the benefit of the country in all future times, that the wages of political sins is political death—and all who love their country more than their party will say, Amen.

## THE VICES OF POLITICAL MINORITIES.\*

SELF-PRESERVATION characterizes all the regular formations of nature. Caterpillars have ever cankered trees, but the injury is only individual, while trees, as a class of existences, continue unabated. Wolves and owls have ever preyed on flocks and birds, but the species preyed on continue as numerous as ever. Domestic malcontents have ever struggled against social order, but civil societies preserve their organization—nature being more conservative than destroyers are destructive. And in addition to this general preservative energy which pervades nature, Providence fortifies the principle in men, by everywhere and at all times connecting our personal interests with the interests of the society of which we are members. What God has thus joined together, men sometimes try to separate. History records occasionally an Arnold, who attempts to benefit himself by the sacrifice of the interests of his nation, but so conscious are men of the impracticability of such attempts, that even the attempts are only sufficiently numerous to exemplify their hopelessness.

Rulers, Legislative and Executive, being thus almost constrained by Providence to govern wisely and justly, they present to opposing partisans no means of opposition, but to condemn measures that are not wrong, and to advocate alternatives that are not right; every political minority occupies thus a false position, like a lawyer in a cause where law and equity are against him. The indiscriminate advocacy of right and wrong by lawyers, is supposed to impair their ability to discern right from wrong; and the like self-abuse of the intellect that is practiced by minority

politicians, is still more pernicious, because it is more unremitting. With no fixed principle but opposition, they are like children who play the game of contrary, never letting go but when they are told to hold fast, and never holding fast but when they are told to let go; consequently, by a remarkable sympathy which exists between our feelings and our words, such politicians soon become the dupes of their own opposition—like persons spoken of in Holy Writ, who, by a like process, are said “to be delivered up to a strong delusion, that they believe a lie;” or as Shakspeare paraphrases the idea, “when we in our viciousness grow hard, the wise gods seal our eyes,—in our own filth drop our clear judgments, making us adore our errors.” They deem the country ever on the brink of destruction, uncorrected by experience, which is continually teaching them the falsity of preceding predictions; for, like monomaniacs, they impute the failures to any cause but their diseased misconceptions. We have seen that when the world would not burn up, as Miller had predicted it would, the failure occasioned only the assignment of a new period for the predicted catastrophe. So, we possess everywhere multitudes of politicians, who, though old, have never known the Government perform a worthy action, or act from a worthy motive. The whole political course of our nation they deem a series of misdemeanors, for the perpetration of which the offenders escape punishment by only some strange infatuation of the people—the very doctrine of every Lunatic Asylum, whose inmates deem themselves sane, and that the insane are at large. Nor can they learn by experience that political power cannot in nature result from offences against patriotism; hence they thus offend continually, but continually see power within their reach. Their ascension robes are ever kept ready, but the millenium

will not come, and instead thereof, public odium is showered on the unnecessary alarmists, till they have repeatedly abandoned their political name in the hope of losing their own identification therewith; but exhibiting an entire childlike unsuspicion that, without a change of conduct, every new name must soon become as odious as the old. When only last year England and our country, tired of the old experiment of trying which could most harm the other, began to try whether they cannot reciprocate benefits—she by relaxing in our favor the qualified monopoly enjoyed by her agriculturists, and we relaxing in her favor the qualified monopoly enjoyed by our manufacturers—the benevolent experiment was assailed by the madness of party, and, as usual, every conceivable calamity was predicted from it. But again, as usual, the predictions are falsified. Manufactures, which were to perish, increase, despite of prophecy, till even our Utica, not easily stimulated to new enterprises, is allured by the yet great profits of such operations, and resounds with new factories. Why should not two kindred countries relieve each other? Our agriculturists were becoming impoverished by the over-abundance of nature's bounties, while English manufacturers were becoming impoverished by an excess of the productions of art. Why should not the full breast of exuberant youthful America be turned to the famished lips of its aged mother? and why should we not receive from her superabundant wardrobe, the articles of which we are deficient?

All the events of history which constitute epochs in our career of glory, were ushered into being under denunciations like the foregoing. And if we turn from the events of our history to the historical heroes and statesmen by whom the events were achieved, we shall find that they

struggled against the denunciations of contemporary political monomaniacs. Nothing, indeed, is more intellectually healthful than to note how the Mr. Polks of the day, whom we are invoked to hate and oppose, mellow by time into the patriots whom our descendants are to adore. Jackson, who barely escaped from being murdered to rid the world of a monster, is already less than half a monster deserving assassination, and more than half a patriot to be revered; while Jefferson, once the base truckler to Napoleon in the purchase of Louisiana, in despoliation of poor, prostrate Spain, is so rectified by death and time, that the farmer of Marshfield, the great expounder of existing political monomania, is, if we may believe report, about to perform a pilgrimage from Massachusetts to the tomb of the sage of Monticello, an event with only one similitude in history,—the pilgrimage of Henry II. to the shrine of Thomas a Becket.

Events also meliorate by time. The war with England, which in its prosecution, was deemed so unnecessary and wicked, that pulpits preached against it, States nullified it, and Hartford Conventions contemplated treason to arrest it, is now so traditionally glorious, as to be surpassed in public estimation by only the War of Independence. Even the recent obloquy against Texas' annexation is fading; while indications are so fast accumulating of a succeeding universal popularity, that men who failed to be early in hailing the risen star, are beginning to feel in relation to their heresy, as the lukewarm friends of young Napoleon, when they saw him looming irresistibly into imperial splendor. And, doubtless, the war with Mexico, wicked, infamous, and unnecessary as it is deemed by political monomaniacs, who can see nothing in their country's victories but murder, and nothing in Mexican aggressions but the

expense of redressing them, will constitute, with its brilliant victories and great social results, one of the prime glories of our posterity. Of these results the wilds of California\* and New Mexico, whose acquisition is deprecated as useless and worthless, will yield their virgin bosom to millions of busy and happy men; and while the district schools of those regions will make the children thereof read in good English the history of the present day, they will be taught to look back with astonishment at the Wilmot Provisos of consumptive and stultified Abolitionism, and at the kindred expedients, in Congress and out, that are now practised in reference to these regions, to frustrate God's injunction, "to increase and multiply, and subdue the earth."

But political minorities are subject to a worse vice than any that we have yet specified. Man is so constituted that he cannot prophesy evil without exciting in himself a desire that the prophecy shall be fulfilled. The religious fanatics who lately predicted the destruction of the world, loathed the sun when it disappointed their predictions. From this cause more than from deficient patriotism, arises the fiendish regret which is constantly apparent in many of our citizens, when political forebodings of evil are not realized:—when, for instance, manufacturers will prosper, despite the tariff of '46; when the vomito would not, last summer, extirpate our armies in Mexico, nor a mutiny at sea arrest the California volunteers and frustrate their expedition.

But another vice, of still graver import, is habitual to political minorities. A prophet will aid in the fulfillment of his prophecy rather than be convicted of error. Had the power of man been as gigantic as his perversity, the dis-

\*California gold was unknown.

ciples of Miller would have conflagrated the world to verify Miller's prediction. To this bad influence we must, in charity, attribute much of the destructiveness displayed by political minorities. When the deposits were removed from the United States Bank, and ruin had been predicted as a result, manufacturers closed their factories voluntarily, and dismissed their workmen; shipowners dismantled their ships, and discharged their seamen, exultingly alleging that the Government had ruined them. The same madness on the part of manufacturers, began to evince itself in the early part of 1846. Opposition newspapers chronicled a few instances like the foregoing, which they hailed as the welcome harbingers of the predicted universal blight. And later still, after minority statesmen had reviled the President for claiming the whole of Oregon, a claim which he substantiated to every unprejudiced understanding, they moved heaven and earth to prevent England from yielding her conflicting pretensions, and to intimidate the President by threats of war, from adhering to his country's rights.

But, finally, this article is written, not to irritate by crimination, but to cure, by holding naked up to vice its own image. While intellect attacks intellect, the encounter is always salutary. Controversy is never pernicious but when the feelings enlist in the fight. England, from whom we derive much of our knowledge, and most of our errors, is fast freeing herself from the political evils of factious minorities, though they are still in full bloom with us. Her Legislature never exhibits now, a party in conflict with the interests of her empire. In her Oregon conflict with us, her Councils and public press exhibited no advocates for America, and while the faithful unanimity of her statesmen was urged in our Congress as a reason for yielding

our pretensions, the orators who urged the argument seemed unaware that they were condemning their own conduct, which enabled England to adduce our want of unanimity, as a reason for persisting in her claims. And were England at war with Mexico, she would not possess a Mexican party giving aid and comfort to her enemies, by Parliamentary speeches and newspaper essays, that would heat her Mexican enemies and cool British patriotism. Party politics have been termed, the madness of many for the gain of a few. Would that we could rid ourselves, like England, of at least the madness of disloyalty to our country. And what a country is ours to care for! Like the miraculous loaves and fishes of Holy Writ, the greater the number of persons it feeds, the greater is the aggregate of its surplus food. Well might one of our warriors exclaim, "May our country always be right, but may she always be victorious, right or wrong!" President Adams preferred another sentiment:—"May our country always be victorious, but may she always be right, whether victorious or not!" But far from the heart or thought of the old man eloquent was any imprecation of military defeat on his country, in case any of her contests should happen to be unjust. Doubtless, in even so sad a case, he would say with David of old, "let us not fall for our sins into the hands of man, but, if we must be punished, let us fall into the hands of the Lord, for his mercies are great."

## MERITS AND DEMERITS OF EXISTING PARTIES.\*

HAPPILY for our country, while partisans seek for spoils as recklessly as the Indian who prayed "Good Lord, or "Good Devil," just as he believed either would be most available ; and while partisans of the same faith struggle with each other for nominations, like hungry Mexicans over the remainder ration of a dead American, the mass of our citizens possess no interest in politics but the public good ; consequently the politicians who advocate the best measures are the most likely to succeed at elections. This is wholesome in theory, and unless we conform to it in practice, we abandon the people's only check over public men. Let us hold them to this check, and permit no shirking or dodging of it in the hour of trial. We are just emerged from a war, and if Whig office-seekers were right in aiding Mexico, let the people reward them for it ; but if they were disloyal to the public, let them not escape punishment by interposing an honest man between them and their misdeeds ; like, recently, the miscreants of Paris, who, to escape punishment, thrust between themselves and the republican soldiery, children dragged for the purpose from the infant schools.

Whig office-seekers have maintained also, that no farmers, manufacturers, merchants, or laborers can prosper till the protection tariff of 1842 is re-established. Why, then, withhold from the people the means of passing a judgment in favor of the tariff of 1842, in the person of a Presidential candidate who is identified therewith ; instead of presenting to the people a candidate who confesses that his opinion is unformed on the subject ? Is this not sub-

ordinating the tariff to the personal interests of office-seekers? If manufacturers, therefore, and others who feel aggrieved by the tariff of 1846, would hereafter see their interests attended to, let them rebuke this shuffle, by rendering ineffectual the object for which it was undertaken. We may apply similar remarks to the sub-treasury question, and to public improvements by the General Government. The refusal to present to the people a Presidential candidate identified with these interests, is a refusal to permit the people to decide them; and the people should resent the refusal as an invasion of their sovereignty; and that office-seekers may be taught not to distract Congress with questions which they fear to present subsequently, to the people.

The nomination of Gen. Taylor is objectionable further, by asking the people to receive a President with whose notions they are unacquainted; as monarchists receive an hereditary ruler, "a pig in a poke," when our institutions permit us "to taste and try before we buy." And worse; it proclaims in language unmistakable, that one successful campaign outweighs the merits of a life of civil services; and when we consider who promulgate this baneful lesson, and when we contrast it with their professed horror of war, and previous denunciations of the nominee, is not the conclusion irresistible, that they nominated him in their hearts' disgust, and pandered to the supposed tastes and judgments of the people, whom they thus practically slandered?

From these defects in the Taylor nomination, if we look at the nominee, we find honesty of purpose, but great political deficiencies. He promises to veto no bill, 'except in cases of clear violation of the Constitution, or manifest haste and want of consideration in Congress,' The Con-

stitution, however, forbids such truckling to Congress. A President is the focal point of the popular will, while every Congressman is only a single ray. The President, therefore, acts under a responsibility of which no Congressman feels more than the two hundred and thirtieth part, and no Senator more than the sixtieth part. The Constitution, moreover, commands the President to sign no bill unless he shall approve of it. He must swear that he will act thus. A promised violation, therefore, of the Constitution, under such awful circumstances, is paraded by Whig editors, as an enticement to vote for Taylor. They surely mistake the virtue and intelligence of the people,—they mistake Henry Clay, who, when smarting under repeated vetoes of a bank, denounced the veto power. He intended its abrogation by an amendment of the Constitution, not by a violation; but intend what he might, the people will never place unchecked their interests at the log-rolling mercies of Congress.

Another tenet of “the Taylor platform” promises, “that where Constitutional questions have been settled by the various departments of Government, and acquiesced in by the people, the President’s objections ought not to be interposed thereto.” Precedents have ever been the apology of usurpation, and to guard against them our Constitution provides a mode for its own amendment; nor can it be altered otherwise, though the departments may wink, or the people sleep. A President, like Jefferson and Jackson, will veto back the State to its constitutional channel, how much soever unskillful pilots may have drifted it into forbidden shoals, or party madness wounded it, “with twenty mortal murders on its crown.” Courts of law are subjected to precedent, because their errors can be corrected by new legislation, which is preferable to a vacil-

lating judiciary ; but if the constitutional errors of Congress and the judiciary are to be final, error becomes incurable, and the Constitution subvertible at the pleasure of its guardians.

But we need not pursue farther, the crudities of the Taylor platform—"that the will of the people, as expressed through Congress, ought to be respected, and carried out by the Executive, on the tariff, currency, and improvements of highways, rivers, lakes and harbors :"—as though Gen. Taylor had yet to learn, that some of these objects involved constitutional questions to which the will of the people and their representatives must be subordinated ; as they have been often, by vetoes triumphantly sustained by the people, while the advocates of a latitudinous construction of the Constitution have been repudiated. Our superiority over Canada consists in the self-reliance of our States ; while Canada, like an infant, seeks to accomplish nothing great, without the assistance of her mother England. Fortunate for New-York was the constitutional scruples of the General Government against the construction of the Erie Canal. It called forth in our State, resources of which she had not been aware, and inspired the like in other States. The result is canals and rail-roads which the General Government could not have accomplished with all its revenues ; and would not have accomplished in centuries, if it could. Suppose the General Government had yielded to the solicitations of Morse, and controlled his electric telegraph, would it at this moment have been reticulated over the Union, as we now see it ? Had we always believed with our ancestors, that the construction of churches, and the maintenance of a Christian ministry were within the competency of Government alone, would our country be dotted by churches ? Indeed, nothing prevents the

improvement of all our rivers, lakes, and harbors, but the persistence of partisans in a reliance on Congress, whose means are inadequate to the object. We have seen that all the resources of England could not even feed the poor of Ireland ; nor all the resources of France, the laborers of Paris. We may say of strict constructionists, what has been said of the framers of our National Constitution, that their invention was wiser than the inventors. We can turn to no result of a strict construction from which good has not resulted. It is invigorating our manufacturers, by a withdrawal from them of protective duties, and compelling them to possess, like honest farmers and mechanics, a capital, to reduce their heretofore wasteful salaries, and to be industrious, frugal, and prudent; by which means they more than counterbalance what they lose by a reduced tariff; whilst the consequent cheapness of their fabrics increases the consumption, thus benefiting both consumer and producer.

Latitudinous constitutional constructions, and a belief that the people know less what is best for them than a few who are "godlike," and a notion that little fishes are made to be food for big ones, constitute the leprous distilments which have ever made Whig rule disastrous, without the Whigs knowing why ; while doctrines essentially opposite, (assumed perhaps accidentally at first,) have ever made Democratic rule prosperous. These opposite results are inherent in the nature of the two parties. We need not expect "figs from thistles" in politics, any more than in husbandry. Is any man still in doubt, then, as to his duty at the approaching election? And let him look at the two parties as they stand, irrespective of all the foregoing. The Democrats present for the decision of the people, not "a man on a white horse," (leaving in doubt whether they

rely for success most on the horse, or most on the man,) but they present Texas, acquired despite the intrigues of England and France. They present Oregon preserved almost entire from the grasp of Great Britain, aided, as as she was, by the advocacy of Whig statesmen and editors. They present California and New Mexico, with an area more than eleven times the size of our Empire State; and acquired with so much honor, that to have been a subordinate, but successful hired instrument in its acquisition, is sufficient, (the Whigs being the judges,) to insure his election to the Presidency; and to cover their sin of giving aid and comfort to the enemy during its acquisition. Moreover, every man who votes for Cass will know for what he is voting, as well as for whom. Is not the presentation honest, of a man with known principles? Is it not respectful to the people? Is it not the way to advance the people in political knowledge and accuracy of judgment? Is it not ennobling the people, by casting on them the responsibility of the acts of the Government?—and is it not wise? for in the multitude of counsellors is wisdom, says God; and finally, is it not deserving the encouragement of success even for its own sake? We say nothing of Cass, warrior as he is—if the people want a warrior; statesman as he is, if the people prefer a statesman; lest we thereby so exalt a man as to make him, at some future day, say to the people, as another candidate says substantially, in a recently published letter, that, as he was told “the people could not sustain themselves except by the use of his name, he reluctantly lent it to them for that purpose.” Away with such vanity! Who cares for a President, or the son of a President; or both combined,—as we find them on one ticket? Surely we are in the midst of a political mania, in which Presidential veneration is pitted against military

enthusiasm ; and both are pitted against the dignity and understanding of our people : but the paroxysm will pass away with the chill of next November ;\* and our politicians will awake as from a dose of exhilarating gas, and find, that instead of having made fools of the people, they have made fools of only themselves.

\* The elections were in November.

## THE SOUTHERN DISUNIONISTS.\*

THE term, "Disunionists" belongs properly not to statesmen who are anxious to protect the rights of the South, but to those who, by continued aggressions on the Southern States, are coercing them to secede, in self-defence, from the Union. A Southern statesman is a unionist, in the best sense of the word, when he is contending against measures that must naturally lead to disunion. Our Union can be permanent only by leaving all local questions to the decision of the locality. A violation of this principle by Great Britain is driving Ireland into rebellion, and driving Canada into annexation to our Confederacy. The Emperor of Russia might be sovereign over Poland, without any resistance on the part of the Poles, if he would permit them to control their own internal affairs. Hungary would not have revolted against Austria, if Austria had not interfered with the domestic legislation of Hungary. All ancient history, and all modern, are full of the fall of Empires from an attempt of one people to legislate for another. An exemption from this error is the vital principle of our Confederacy, and distinguishes it from all preceding Confederacies; and if we preserve this principle unimpaired, the extension of our Confederacy from the Atlantic to the Pacific will add to our national strength, instead of impairing it, and benefit the whole, be the extension North or South.

Such, then, being the conservative principle of non-interference, and such the destructive principle of interference, nothing can be more patriotic than for the South to resist all Congressional legislation on the subject of local slavery.

The more a man loves the Union the more strenuous should be his resistance. Nor is any extent of resistance too great for so glorious an object ; and from what we know of the innate tyranny of human nature, we may be sure that the strong will oppress the weak, to the extent that the weak will submit to oppression. The South, therefore, should resist to the extent that God has endued them with the power of resistance ; and we may well hope, and well expect, that when such resistance shall be believed and seen, the true Disunionists will begin to count the value of the Union, and desist from an aggression which is properly and virtuously and patriotically producing consequences so dire. Nor should any compromises be endured. Compromises may patch up a temporary truce, as they have several times before ; but the great principle of non-interference with the peculiarities of localities, is too vital to be compromised.

Nor need we criticise the Constitution very profoundly, to determine how far Congress may constitutionally interfere with local slavery. To the extent that Congress possesses the power, the possession is an error ; and as the interference is fatal to the peace and perpetuity of the Union, the error should be resisted as much as though the interference were unconstitutional. We are not to swallow poison by reason that we find it accidentally classed among wholesome food. Is it poison ? is the true question, and not how it is called, and by whom sanctioned. When the Constitution was made, the nature of such a Confederacy as ours was but dimly seen and understood. We may well wonder how the principle of non-interference with our domestic peculiarities came to be so well defined and so well guarded against ; and we shall have profited but little by our sixty years' experience of the nature of our Confederacy, if we now seek interpretations of the Consti-

tution to authorize a Congressional interference with local slavery—a subject which different parts of our country are educated to estimate differently, which different climates and productions naturally influence, by rendering slave labor lucrative in some places, and unprofitable in others; and, moreover, a subject about which so much irritation has been artificially created, that no man reasons thereon without excitement of the most intense character. I look to the South with the hope that it will take care that the Constitution shall receive no dangerous wound by their remissness. *So long as the South shall insist on only maintaining its rights, the consequences of the struggle will rest with the invaders, and not with the invaded.*

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#### THE CLAYTON-BULWER TREATY.\*

A CERTAIN mother, when her sons began to wrestle, always exclaimed, “Boys! stop there, for I know how that play will end.” So when Congress begins to demonstrate that England has encroached on us beyond the point of honorable endurance, I always feel inclined to exclaim, Stop there, for I know how that agitation will terminate—and the following recital may make any one equally knowing. Some years ago, England insisted on searching our vessels to ascertain if they were slavers. Our Government remonstrated, and Congress agitated, till both demonstrated that we could submit to the indignity no longer with honor. Now, when a nation arrives at this unfortunate point, it must fight or compromise, if the aggressor will not

\* Published February, 1856.

recede. England never recedes, but will always compromise after a given manner, which consisted in this instance of permitting us to search ourselves; a boon sometimes granted to a pugnacious man, who will turn his own pocket inside out as a substitute for being searched. For this self-debasing purpose we stipulated to keep constantly an armed squadron on the coast of Africa, in an unhealthy position and at great expense, thereby surrendering back to England a portion of our independence; for if we had desired such a squadron, we could have sent it without the urgency of a treaty obligation.

Like the foregoing, was our agitation in relation to our North-eastern boundary. We remonstrated with England on the encroachments of New-Brunswick, till we again satisfied ourselves that we could submit no longer with honor; and then again came the alternative of war or compromise. Great Britain was willing to once more assist us out of the dilemma, and we accordingly ceded to her a large slice from the State of Maine, and called it a compromise; though it consisted of only substituting a definite encroachment for an indefinite one.

Oregon afforded example No. 3. We agitated the usual indefinite claim thereto of Great Britain, till we became satisfied that our North-western boundary extended to North latitude  $54^{\circ} 40'$ , as fixed by our treaty with Russia, and that we could no longer submit with honor to the joint occupation exercised by Great Britain. The alternative, therefore, was only war or compromise on the usual English method, and we accordingly ceded to England a large portion of Oregon, as the less of two inevitable evils.

This brings us to example No. 4—our agitation in relation to the "Monroe doctrine." We soon satisfied ourselves that our honor would be injured by permitting the

English to colonize any part of Central America. War or compromise was again our only alternative, and the Clayton-Bulwer treaty was a panacea of the usual character; for by it we consented to apply the Monroe doctrine to ourselves, for whom it was certainly never intended, if England would consent to adopt it against herself, for whom alone it was originally designed.

Our Congressional rulers are now preparing an example No. 5. They are fast bringing themselves into the dilemma, that they must either fight Great Britain for not adhering to the Clayton-Bulwer treaty, or be dishonored. Everybody knows we shall not fight, and that a new compromise to our increased injury will be the natural result of all the eloquence by which our Senators are demonstrating to Bunkum their bravery and patriotism. Will nobody think of another alternative—of even the Farewell Address of Washington, in which he warns us against forming entangling alliances with foreign countries. He left us masters of our own conduct, not compelled to keep a squadron on the coast of Africa at the pleasure of Great Britain, or compelled to reject a Minister from Central America, because the governing power there happens to be our own countrymen. Instead, then, of wrangling with Great Britain, because she refuses our interpretation of the Clayton-Bulwer alliance, let us be thankful to Providence for affording us the opportunity of cancelling the unwise treaty, and let us be rid of it forever and of all kindred entangling alliances. We had the wisdom to reject an extension to Cuba of the principle of the Clayton-Bulwer treaty, and now let us have the additional wisdom to reject the Clayton-Bulwer treaty itself.

## CHAPTER V.

### OF A UNITED STATES BANK.

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#### THE UNITED STATES BANK CONTROVERSY.\*

TWENTY years are now elapsed since a British army sacked the city of Washington, and, disregarding the laws of civilized warfare, burnt the national structures dedicated to the arts and charities of life. These events were seized by our internal political enemies, to prove that we ought to supplicate for peace. At that dark moment I was honored by being Secretary of a Democratic meeting of this county, which assembled to declare, that the more the country was afflicted, the tighter we would cling to it.

You, Mr. Chairman,† presided at the meeting. Like myself, you are not prominent in ordinary political contests. From seeing you to-night, I trust you think with me, that the present is a revival, by similar men, of the designs which that meeting intended to counteract. The politicians of that day sought power through the distresses produced by a foreign invasion. They seek power now, through the distresses produced by a Bank invasion. The war might at all times have been easily sustained by the undivided energies of the people; and the present enemy is too contemptible to be deemed a national opponent, but for the allies which it finds in the United States Senate, who, palsying all the energies of the General Government, seem willing to surrender up, bound fast, the noble Eagle

\* Spoken at a Public Meeting, March, 1834.      † Hon. Nathan Williams.

of the world, "to be hawked at by a mousing owl and killed."

I care not now whether the Bank be constitutional, or unconstitutional ; a necessary fiscal agent, or unnecessary ; whether the public deposits were rightfully removed by Government, or wrongfully—these questions are all merged in the greater issue, of whether the country shall be coerced to grant the Bank a re-charter. Even Senators urge the renewal as the only alternative against ruin ; while to give efficacy to the position, the Bank, with the presses in its pay or favor, and the politicians in its interest, are shaking all the pillars in the edifice of Credit, willing to crush community in a general ruin, rather than fail of a re-charter.

In this contest two distinct agents exist, and they should not be confounded,—one is, the Bank seeking a re-charter ; the other, politicians seeking power. The Bank may suppose, like the fabled fly on the coach box, that the clouds which blacken the horizon are all of its own creation ; but great as are its powers of mischief, and conscious as it may be of exerting them, the Bank is not entitled to the bad fame of all the ruin—a portion of it being due to partisan newspapers, who, also acting on the principle of the fabled fly, may think that the ruin is all the result of their efforts. That they thus think, I possess some proof in a letter which, as the presiding officer of a Bank in this city, I received a few days since, from the editor of a leading opposition daily newspaper of this State, seeking a discount, coupled with the annunciation, (delivered to me, forsooth, in confidence,) "that one word from our papers here would blow the country Banks to atoms."

While, then, the Bank is thrust forth as too strong for the nation to resist, we must be cautious and not attribute

to it greater powers than it possesses. Could the Bank alone have inflicted sufficient ruin, a partisan press would not have volunteered a useless assistance—few men being so desperately wicked as to murder for the mere love of slaughter.

Previously to the first of February last, when the Bank Commissioners published their Annual Report, the interior of our State had experienced no pecuniary distress. The Report, though expressly announcing a secure situation of the Banks, was greeted from nearly all the presses in the interest of the United States Bank, by a sudden, simultaneous, and rancorous attack on our State Banks. The attack has well been termed incendiary; for the fire-brands thus scattered among a previously excited community seemed designedly cast to create a general destruction. So fierce was the attack, and so urgent the danger, that the Banks, in a period but little exceeding a month, reduced their circulation three millions of dollars. Money vanished as by enchantment; while the agents of the wicked conspiracy found, to their surprise, that the Banks, the objects of their malignity, were safe; but all commerce was prostrated.

As we must not measure the power of the Bank by the distress the country is suffering, so we must not judge of its merits by the hosannas that are heard in its praise. The Bank, whatever it may vain-gloriously think, is, both in Congress and out, but an instrument in the hands of a party, who use it to acquire a power with which the people steadily refuse to entrust them. A party with as many names as a swindler, and which changes them as often; a party whose objects are in as constant a flux as its name, raving for war, and when war was declared, raving for peace; refusing to drive an invader from our own shores,

and subsequently goading the country to civil war on some abstract question of Indian rights. This party, so furious for a re-charter of the United States Bank, would have been equally furious against the Bank, if the Government had wished to re-charter it. Even so void of political principle is this party, that General Jackson, whom they portray as a demon, might become their candidate for the next Presidency, if he would only commit some act that would lose him the confidence of the country.

The enemies of the President assert that opposition to the Bank rests with the President alone. This is untrue. He is but vigorously executing what the people have decreed. And now that he is periling his all to accomplish our own wishes, shall we desert him for his faithfulness? In the execution of our own plans, shall we, because difficulties are discovered, make him our scape-goat, and join in the cry to crucify him? Worthy of all infamy must that man be who would act thus; and especially any citizen of a State, whose voice alone, speaking in 1811, through George Clinton, pronounced the death of the former Bank—an event which demonstrates that we, at least, date our hostility to such institutions beyond the commencement of General Jackson's era.

Up to the present pecuniary distress, the people were opposed to a re-charter of the Bank. What has occurred since, to make the Bank more lovely in our eyes? Are we, like spaniels, to be whipt into affection? No; if the people have become willing to re-charter the Bank, the change has been produced by coercion. Like a man with a dagger at his throat, thousands may be willing to comply with the wishes of the hand that holds the dagger; but Andrew Jackson is not one of these.

History seems to prove that Providence exerts a more

than ordinary care of us. During the Revolutionary War it gave us a Washington. During the last war, and the aggressions which led to it, Providence placed successively at the head of our nation Jefferson and Madison, who, in a degree almost superhuman, enjoyed the confidence of the country, and thus enabled us, against a disordered currency, an empty treasury, and internal treason, to cope with the naval power that had subdued all Europe, and with the armies that conquered the foremost man of all the world. And now when every faction, rushing from every quarter, is striving to produce a whirlwind that shall destroy all credit, all confidence, all property, all enterprise and all prosperity, unless the will of the people will yield to the will of a minority, Providence has placed at the helm of State a man who, unlike Ulysses of old, is not compelled to stop his ears, lest he should be swayed from duty by clamor; nor, like the same Ulysses, forced to beg his friends to sustain him, lest he should desperately yield the government to destruction, but standing on the energy of his own purposes, is able to sustain not only himself in this trying moment, but to sustain his friends, and to hold back even the nation, should it be inclined to bow its crest at the bidding of a creature of its own bounty.

Our immediate representative in Congress has well said in his place: "Perish credit, perish commerce, perish the State institutions, give us a broken, a deranged and a worthless currency, rather than the ignoble tyranny of an irresponsible corporation." But we honor the Bank over much, if we suppose such sacrifices are necessary to quell its power. Let people who desire relief, cease from memorializing Congress for a restoration of the public deposits, and for riveting the Bank on the nation by a renewed charter. As well may such petitioners attempt to quench

fire by pouring on it oil, as attempt to allay the fears which exist in Congress against the Bank by petitions, which show that the Bank is able to coerce such multitudes into its support. Every petition is a new monument of the power of the Bank, and an additional argument against its continuance. Rather than this, let the people of every State call on their Legislatures to remove our pecuniary difficulties. New-York alone has but to will what it wishes, and the wish will be accomplished. With an ability to create, at a moment and without cost, a stock that is equivalent to gold and silver, let the State not stand idly by, while an infuriated enemy is ravaging the country.\* The ground on which the Bank advocates stand, in at least our State, will be thus removed from under them, and they will be left suspended as monuments of disappointed malice.

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#### THE BANK PANIC AND PRESSURE.†

How wonderfully the goodness of Providence, in the abundant harvests of the past summer, contrasts with the wickedness of man in the afflictions of the last winter! Heaven, by a dispensation of more than ordinary general health, tranquillity, contentment and prosperity, seems to rebuke the imprecation of war, pestilence and famine, which an infuriated statesman dared once to utter, and which the events of the last winter sought to produce, as

\* On the 19th day of the ensuing month, the Legislature of New-York passed an act to raise six millions of dollars on State Stock, and to loan the money to the people of the State. The aid thus furnished was of essential service in restoring public confidence.

† Published October 6, 1834, and addressed to the Hon. Nathan Williams.

far as mischief so gigantic is placed within the power of man.

The cruel acts under which the country suffered, may have been commenced without concert, but they resulted in a daring conspiracy to obtain, by a sort of Sabine rape, the suffrages of the people. An organized party became as intent to rule or ruin, as a band of mutineers who should hold a torch to fire the powder magazine of a ship, if the captain would not yield to their control. We beheld a reversal of the common principles of human nature. Men rejoiced at their own embarrassments, and merchants proclaimed commerce at an end. Notes of the most solvent Banks were denounced, in the same breath that cried, like Sarah of old, "give us money or we die!" Bankruptcy no longer excited pity, but undisguised gratification. The more meritorious the victim, the louder was the shout of triumph; the more stable the fabric that sunk before the storm, the more diffused became the exultation. Malignity emulated death in its love of a shining mark.

While these events were transpiring within every man's observation, falsehood and exaggeration filled the opposition newspapers, and made terror and distress epidemic. A sort of friendly cross-fire was carried on between distant cities. The North published lies in aid of the panic at the South, and the South published lies in aid of the panic at the North. A run on banks for specie was recommended, and for the avowed purpose of producing ruin. Like skillful Inquisitors, who are said to know the parts of a human body that are most sensitive to torture, editors directed the panic with equal skill to the Banks and individuals which were the most accessible to injury.

A more infuriated moment no country ever exhibited. Mechanics dismissed their journeymen for exercising a

freedom of opinion, and merchants dismissed their laborers. A sloop load of wheat was willfully precluded a market in the city of New-York, and willfully returned to Albany. Multitudes of men, under the name of Committees, were poured into Washington to intimidate the President, and to debate, personally, with him on the discharge of his constitutional duties. Legislation in Congress ceased, and the speeches of the members were directed to the people. Its sittings were declared interminable, and the country was declared in a state of revolution.

So systematic were the efforts which I have barely enumerated, so furious was the onset, and so specially was our State the object of attack, that great and general interests escaped unscathed by only the majestic efforts of the State itself—which nobly opened its veins to our exhausted mouths, and revived credit at its expiring gasp; and this, too, while tumult and multitude, ravenous for our destruction, clamored, like disappointed demons, at the act which was snatching us from their grasp.

We had all heard of the power of money, but, till last winter, we possessed no conception of its actual power. We now understand why, in every nation, political power has ever existed on the side which preponderated in wealth. We understand why the Commonalty of England (the richest private individuals that the world ever saw) is more than a counterpoise to the King and Nobles. The potency of money was as unexpected a discovery to our enemies as to us. They found it pertaining to the Bank, as accidentally as Aladdin discovered the power which pertained to his magic lamp. The use which our enemies made of the discovery we have seen, but what use shall we make of it? This question gives to the approaching election its importance. If we shall be defeated in the coming contest, poli-

tical power exists only nominally in the majority of the people, but substantially in the majority of wealth. The engine which shall prove too strong for the people in this contest, will continue in the hands of our enemies for all future occasions, and renewed with, perhaps, a double potency. If we yield to any imaginary expediency, and permit the enemy to triumph, expediency will compel our compliance hereafter. The deliberate sentiments of the people will never be more repugnant than they are now to the objects of the enemy; the Government to be supplanted will never possess more strongly than the present the affection of the nation. With not as many representatives in our last Legislature as Columbus carried to Spain for specimens of a new race, if our enemies can now outnumber us, what hopes can we indulge in any future contest? If such a revolution has within a short year been effected by means of a pecuniary pressure, our elections are useless; let us abandon the empty ceremony, and forgetting, if we can, the glories that are past, prepare our children to endure the loss of their birthright.

I even care not whether the Bank last winter produced the pressure voluntarily or involuntarily; whether it warred against us offensively or defensively; enough for us is the fact that, like the enraged elephant which was recently shot at Exeter 'Change, the Bank is subject to paroxysms, and possessed of powers which render its preservation inconsistent with public safety. The showman killed his elephant, though on it depended the sustenance of his wife and children; and we must kill ours, how occasionally soever it may administer to our convenience, and how kindly soever it may occasionally employ its huge strength—but especially must we kill it, since its trunk is influenced by our enemies, who have shown that they will wield it for our destruction.

Preceding elections have presented to us no greater calamity than the temporary misrule of our opponents; but the present election is to deliver us to them in perpetuity. The game is great, and desperately have they played it. If, as they openly assert, the people will rather part with principles than with money, we are indeed lost. The experiment will be tried effectually. The seeds of distress and ruin were sown widely and liberally. We have been ploughed with affliction and harrowed with anxiety. The exhausted laborers, as they travelled homeward from their seats in Congress, could exclaim with Thomson's farmer—

“ Be gracious Heaven ! for now laborious man  
Has done his part.”

They are waiting for the crop. With the people is the increase, and the people owe them an abundant harvest. Our opponents have enjoyed their usual feasts of anticipation, while the reality, to which the people are accustomed, is hastening forward. Come it must, and these tyrants in will, but impotents in power, will stand exposed, like a gambler who has shown his cards, and been found to have bragged on an empty hand. Let them again close their shops,\* and marshal their dependents; burst open again the arsenal, and dragoon the New-York voters; the great inquest of the nation is approaching.† They, who had no eye to pity, who laughed at our calamity, must be rebuked. All the interests of the State, agricultural, commercial, and mechanical, cry for judgment. All that is honest in politics, all that is lovely in patriotism, all that is desirable in self-government, call on the people to scatter the discordant factions, who, uniting for no common end but the destruction

\* The shops in the City of New-York were closed, that the occupants might attend a Political Meeting held at “ Castle Garden.”

† The Presidential election was to be held in November.

of men whom the people honor, have, for months, raged like a pestilence.

Grant even the position of our enemies, that Heaven was afflicting us with wicked rulers, would men of ordinary feelings have prowled around the country at such a moment, insulting the community with offers of relief on conditions of political apostacy? Was a period of universal trouble the time to drive so hard a bargain? And did, indeed, no kinder intentions move their souls at our distress, than to plant their heels upon our necks? Truly they asked too much, when they required that we should accept this calamity in exchange for any other. They calculated too strongly, also, on our credulity, when they required that the Government should be subverted by reason of the pressure, and that they should be promoted for augmenting it—for augmenting it designedly and wickedly, when the worst which they allege against the Government is, that it produced the pressure ignorantly.

In every nation, its inhabitants are relatively intelligent, not in the degree of their relative wealth, but of their relative political privileges. Those who are politically disqualified, are everywhere the baser portion of the community. They are disqualified, not because they are base, but they are base because they are disqualified. The Greeks became corrupt as soon as they were enslaved by the Turks, and they became elevated in character the moment they cast off the Turkish subjection. Our institutions, as modified by Democracy, give to all men equal privileges; and to a great extent, all men here are equally virtuous, peaceable, industrious, and intelligent. By affixing so beneficial a result to so benevolent a policy, Heaven fairly bribes men not to oppress each other.

Political disqualifications are also as unjust to the merits

of the poor, as prejudicial to their morals. In war the country is defended on sea and land by the poor almost alone; while the arts of peace are prosecuted mainly by their strength and intelligence. Property seems not even a necessary ingredient in human preëminence. It is essential to the importance of only secondary intellects. The prodigies of genius, from Homer to Scott, have generally been poor; while, from Aristides to Jefferson, statesmen and warriors, who shine the most brilliantly in history, are those whose pecuniary effects have been insufficient to disburse their funeral expenses.

But the present political contest exhibits a new reason in favor of universal suffrage. What patriot but rejoiced last winter that the destinies of our country were not dependent on those alone who are most affected by a pecuniary pressure? A rich mechanic told me that, though conscientiously opposed to the Bank, his necessities had induced him to petition for its re-charter.

In the nominations of our opponents, we discover prejudices which are analogous to those against universal suffrage. Policy has lately compelled them to lower the standard of age, wealth and dignity, which they have heretofore deemed necessary to their candidates. The men whom we exalt are such as our opponents have usually stigmatized as new men. Had Satan devised a system to debase mankind, he could have produced no plan more efficacious than that which estimates a man by the qualities of his ancestors. A stammerer may by effort become eloquent; but when we are required to overcome the defects of ancestry, we are without hope, and hence without motive for improvement. Nothing is more benevolent, nothing more politic, than to dignify the obscure; we thereby stimulate to virtuous emulation the class of society which must ever constitute the mass of every population.

Another heresy of our adversaries is hostility to foreigners, towards whom they sigh for the fourteen years probation of Federalism—the probation which deferred the hope till the heart was sick—which, with the tree of life full in view, hedged it around, lest men should pluck its fruit and live. Equality of rights breathes into our adopted citizens a new-born self-respect and a new-born ambition. No matter from how much oppression they escaped, their moral sense dilates like air from which a circumambient pressure is removed; and speedily ennobled by the privileges which have ennobled you, they assume the dignity which God intended when he made man in his own image.

Such, briefly, are the political principles of our opponents, but their acts are more culpable than their principles; and hence men who should, from their wealth, learning and talents, be a blessing in the councils of their country, are become so justly obnoxious to the majority of their fellow-citizens, as to constitute a proscribed class, and to live like aliens in the bosom of their native land. Ever against the country, their activity is always ominous of evil, like certain birds whose presence admonishes sailors of an approaching storm. They possess every virtue in private life, but, as politicians, misfortune has demoralized them. They may see in themselves how political exclusions debase a people. So disparaging, indeed, is their own estimate of their own popular standing, that like the plebeians of Rome, who never presumed to nominate a consul from their own ranks, our opponents have long ceased to nominate a governor from their own party. Even their present nominee is indebted for this distinction to a saving difference in his politics. They commenced in 1804 this self-abasement, with the nomination of Aaron Burr, and though I was not old enough to possess a voice

in the contest, I remember the qualms with which they yielded their virgin honor.

This slip from virtue produced its usual declension, and they became three years thereafter an easy conquest to Morgan Lewis. Every political libertine has since had them at his beck, and they are now arrived at the humiliation which solicits a nominal head, while the sin of their connection blasts every man who consents to the unenviable distinction. The ancient Pharisees were accused of compassing the earth to make a proselyte, but our enemies will encompass the earth to make a traitor. A proselyte will not answer. The value of the conquest consists in his being uncontaminated by their doctrines. Such a man will be used at public meetings, or (if a naturalized citizen) to publish addresses to his countrymen. The poor culprit, who in the days of his virtue was insignificant, revels in notoriety. His seducers having shown him in triumph to his former companions till the conquest is stale, cast him loathingly away.

Remarkable as our enemies are for mistaking public sentiment, the error is peculiarly conspicuous in the effects which they expect from such a seduction. They imagine that some man among us can lead his fellow-citizens. If a man sagaciously discovers the direction in which the people mean to move, he may, by marching before them, seem to lead. The moment, however, he moves where the people dislike to travel, he finds himself marching alone. New-York, at its last charter election, furnished a striking illustration, except that the parties who were sought to be led were Irish—the last men who will swerve from Democracy. They come among us ravenous for liberty, and like eagles just fleshed, they are neither to be driven nor enticed from the quarry.

The most to which our enemies pretend in any controversy, is the demerits of their opponents; and hence arises a detraction of public measures and a slander of official servants, subversive of all confidence in public documents. They have lately seized on the Post-Office with the spirit of a spider, who, after much watching, has caught a fly. Of Major Barry, the Post-Master General, the little which I know entitles him to my gratitude, and to yours. Previously to October, 1830, the mails which were destined for New-York, and which arrived at Albany on Saturday, had to lie there till Monday. A man having a note to pay on Monday, and wishing to remit the money by mail, was compelled to have his money in New-York by Saturday. The aggregate loss of interest to the whole community must have been great. Unacquainted with Major Barry, I ventured to direct him to the evil, and immediately he answered me as follows:—"Instructions shall be given to the Postmaster at Albany, to put up a mail for New-York on Sundays as well as other days. The advantages to Utica, and other towns west of Albany, are most apparent, and shall be continued to them." Previously to Major Barry's administration, only one mail passed daily from Albany to Buffalo, while now two mails pass daily. The intercommunication of the Union has been aggregately augmented by him in nearly the same ratio. He stands eminent among the benefactors of the age; having accomplished more for the diffusion of intelligence than any other man now living. Still, if his zeal has exceeded the statutory limit,\* let the enemy enjoy the discovery. I am not the man to snatch a bone from the mouth of famine. But I pray that the law may be altered, for nothing is more

\* At this period the expenditures of the General Post-Office were limited to the postage received.

unjust than that the expenditures of the Post-Office shall not exceed its receipts. Why should postage be wrenched from the hand of labor, to transmit without expense to Government, the vast correspondence of the Executive departments and of Congress? By a curious fatality, the only instance in which our enemies have discovered a violation of law, is where the violation is better than the law.

But the great instrument on which our enemies rely for elevation, is the demerits of the President. They have thrust the sword of malice again and again in the bosom that was bared in the hour of peril to his country's foes. If the dagger of an assassin had, last winter, struck his heart,\* what would have been the feelings of the nation? Yet dishonor, worse than death, was sought to be inflicted on him, and the perpetrators ask the reward of our suffrages. Are they mad, or have they so long abused their consciences with calumny against him, that they believe their own conceits?

The President is competent to his own defence. When the giants of the Senate piled mountain on mountain to subvert him, his Protest overwhelmed the rebellious spirits under the mountains of their creation. There let them lie, blighted monuments of ill-directed ambition! He has nothing to ask of his countrymen but affection; nothing to fear but their disapprobation. Yes, one thing more he has to fear, if he should act unworthily—the upbraidings of his conscience, for tarnishing a reputation of whose lustre history furnishes but few examples. He will not offend this monitor. He will stand erect amid the tempest of politics, though it shall sweep before it all else that our enemies desire to prostrate. Him it cannot injure. His

\* An attempt was made to assassinate the President.

sun has passed its meridian height, and the hemisphere is bright with nothing but its fast-descending glories.

The political principles of our opponents are not more adverse to the social character of man, than they are to the permanency of our institutions. History is full of the wreck of such Constitutions as they desire to inflict on us; and while they predict anarchy from our doctrines, the most which they promise us from their own, is protracted decay and a lingering dissolution. But shall man never try the experiment of whether he can live under equal privileges? Must we be in haste to assume that our institutions are too benevolent for our nature; and can we not, after all hope shall cease, submit to the inequalities which have ever abused and debased the mass of men? Till that evil day, the party, under whatever name it may be designated, whose principles tend most to equalize the political condition of the rich and the poor, the high-born and the low, shall receive my support, through good report and through bad, in its prosperity and in its adversity, in its mistakes and in its corrections. I will believe that a majority of our fellow-citizens think with me on these important subjects, and as our enemies have ever failed to win us to their power by love, so they will not subdue us by a pecuniary pressure.

How implacable must be their aversion to the spirit of our institutions, that no motive of interest or ambition (and their efforts for power evince their ambition) can induce them to amalgamate in sentiment with the mass of their fellow-citizens, and at least to try a scheme of government which they ought to know cannot be subverted! How strongly biassed also by prejudice must be their judgment, that no experience can restrain them from the hopeless annual experiment of trying, by some petty change of

name, to evade the settled hostility of the country to their principles. In the present contest they keep themselves and their doctrines studiously out of view. They talk of punishing Executive usurpation, but not a word about wresting the Government from the hands of the Democracy. They seem to be not ignorant that this result is more repugnant to the people than any other which is in controversy. If the present election placed nothing at issue, but whether General Jackson should be sustained, gratitude for his services would lead the people to sustain him—indignation against the means by which his opponents seek power, would lead the people to sustain him ; but the controversy would not possess the interest which now pertains to it. The people support General Jackson, because they thereby support principles which they deem essential to the permanency of our Government, and to their own self-importance as individuals.

We are called Jackson men, but Jackson may, with more propriety, be called our man. Like the flag which Lawrence nailed to the mast, we retain General Jackson in his position, because the retention decides whether the people shall be surrendered to their enemy or remain ascendant. Jackson will be sustained! In this blessed land, human nature may yet strive to improve its condition. The blighting principles of aristocracy cannot be forced on us, to arrest the thrilling experiment of equal privileges to all men.

## THE SUSPENSION OF SPECIE PAYMENTS.\*

WE are debating whether the Banks shall or not designate a day on which they will resume specie payments. In favor of a resumption, we have been reminded of our moral duty to resume. The duty is conceded, but gentlemen seem to think it may be dispensed with by conflicting duties of superior urgency. We are accordingly told that a return to specie payments, before exchanges fall to a par with specie, will cause such a contraction of Bank loans, as will depress every branch of national prosperity.

To my understanding, we are not debating the true issue. We are impelled to a resumption of specie payments by legal obligations. Who has conferred on us the right to dispense with our legal obligations? We are answerable to the law when we refuse specie, but we are not answerable, legally or morally, for the contraction of Bank discounts, so long as the contractions are necessary to enable us to fulfil our legal obligations. If the laws which require us to pay specie inflict an injury on the people, let the people ask a legal remedy; and let the Legislatures, and let Congress, find a remedy if they can. Let not Banks presume to stand between the people and the law-makers, and to decide that they will not obey such laws, as they deem injurious to the people. The people ask no such protection at our hands. They receive our illicit services, I admit; but they receive, and complain while they receive. Like the unhappy females who nightly throng our streets, and whom also expediency may seek to justify, we are reviled and abused by even those whom we serve.

But why do we debate the morality and expediency of a

\* Spoken at a Convention of Bank Representatives from all parts of the Union, held at New-York in 1837.

resumption of specie payments, when the law is threatening us with its penalties? The State of New-York has given its Banks a respite till May, and conferred even that boon at the expense of a total inhibition of Bank dividends. The owners of thirty-five millions of the most active capital of the State, are thus compelled to bear, not only all the evils of the times in common with other men, but the additional evil of receiving no interest on their capital—an interest to which many of them look for the support of their families. As well, then, may the convict, with the halter around his neck, debate the expediency of capital punishments, as we debate the expediency of a restoration of specie payments. He may debate, but he will be executed.

Assuming, then, that both our legal and moral duties to resume specie payments cannot be denied—and they have not been denied in any of our discussions—the true question which we ought to consider is, our physical ability to resume specie payments. This only proper topic of discussion, has been wholly overlooked; though, incidentally, the ability has been, by most of us, admitted. Many of the States here represented have rather vied with each other in announcing early periods at which they can resume, were they to disregard its consequences on the community. Pennsylvania professes an ability to resume in April; New-York in March; and some other States at even an earlier period.

But while I insist that our physical ability to resume, is alone the question on which we should deliberate, in order to designate the period at which we will resume, I dissent from the arguments which have been adduced to prove the disastrous effects of a resumption. We are referred to the existing rate of exchanges, and we are told that till ex-

changes fall we cannot resume, and continue to commerce its necessary facilities.

But are not gentlemen aware that instead of Banks being thus controlled by exchanges, the exchanges are to a great degree controlled by Banks, through the means of a contraction of loans. This must be a practical truth, or Banks would be continually suspending and resuming. Money when scarce cannot be obtained by many who would otherwise remit. Local purposes and speculations also, in such times, divert money from being remitted: and hence exchange falls from a diminution of purchasers. Exportable produce falls also, from the scarcity of money; and hence presents a profitable substitute for bills of exchange, and still further depresses them. Banks, therefore, are always able to defend themselves against an upward tendency of exchanges; and hence the influence which Banks will now be required to exercise over the rate of exchanges, is but the ordinary exercise of a long accustomed power over the money-market.

But in relation to our foreign debt, on whose magnitude the present and prospective high price of exchange is predicated by the gentlemen opposed to us, I dissent from the statistics which have been produced, to show the existence of such a debt. The calculations which we have heard, relate to only the commercial debt that is due to Europe; and in relation to that debt the calculations may be correct; but we throw wholly out of view the millions of State Stocks which are daily being created by the several States, and which directly or indirectly, are sent to Europe. We throw out of view, also, the millions loaned in Europe to our private corporations—the millions that are sent here from Europe for investments, and the millions that are brought here by emigrants, and the millions of the existing

commercial debt that are due from suspended and insolvent debtors. That these items—and I can name others—more than counter-balance the commercial balance, of which we have heard so much, is demonstrable from the otherwise anomalous fact that, since the suspension of specie payments, the imports of specie have far exceeded the exports. To swell the amount of our foreign indebtedness, the gentleman who represents the Bank of the United States has informed us of a loan of seven millions of dollars due from that Bank, I presume, to England; and which loan becomes payable within the year. Admit the fact—but will the loan be paid? I venture to say it will not be paid in reality, though it may be in form. It will be paid by a new loan in some shape or other. Loans of this character must be continually falling due, but the superior interest which we can pay, and which induced the creation by Europe of the original loans, must operate to the continuance of such loans. They will always exist, and hence their falling due is only a prelude to their renewal. But if the gentleman shall say that the loan will be paid without the creation of a new and equivalent debt, the fault will be his own. The payment must be unnecessary. I have no doubt that the Bank which the gentleman represents, can alone, if it please, borrow, and keep borrowed indefinitely, in Europe, a much larger sum than all the commercial balance which has been arrayed here to make us continue in our illegal position of suspended Banks.

Another reason assigned for the expediency of our not designating a day of resumption, is that the resolves of the Convention can be but advisory, the Convention possessing no power to coerce the Banks to conform to our resolutions. This is a reason in favor of our designating a day of resumption. Were Banks compelled to obey our designation,

we might well tremble at the responsibility which we were assuming, but to the extent that our resolves are not obligatory, our mistakes will not necessarily be fatal; and to the extent that we shall err in our recommendations, the Banks will be justified in disregarding our recommendations. Besides, that we cannot coerce the Banks to conform to our resolutions may have been some reason for our not assembling in Convention, but it can be no reason for withholding our advice now we are assembled. Let us then perform our duty manfully, and if we shall succeed in designating a period when Banks ought to resume payments, let those bear the responsibility who shall think proper to disregard our designation.

We are told also that the designation of a day by this Convention will excite expectations which if not realized will be disastrous. I admit the position; but should we now adjourn without designating a day, we shall even now disappoint the expectations of the country. Let us therefore not create a certain disappointment, from the fear that our actions may produce a disappointment hereafter.

In relation to the resolutions which have been offered by the gentleman of Massachusetts, and which decide against fixing a time for the resumption of specie payments, they appear to me a mere screen to cover the failure of the present Convention. They announce nothing but the most common-place good intentions to perform the most indefinite actions; and all through the instrumentality of another Convention to assemble in this city next April. That Convention is to be more extensive than the present. But what reasons exist for such an expectation? Our failure will give ominous presage of the inutility of Conventions, and men will be restrained from attending another.

The gentleman who represents the Bank of the United

States, has read to us the contract by which specie payments were resumed in 1816. The result was accomplished by the concert of New-York, Philadelphia, and two or three other cities, all of whom are represented here. How this proves that the present Convention, which represents eighteen States, is not general enough to resume specie payments, he failed to make me comprehend.

But some adventitious circumstances have been stated which tend to prejudice a vote for the resumption of specie payments. The banks of New-York are openly accused of officiousness and indelicacy in calling this Convention. But where did this Convention originate? In South Carolina. The President of a Bank who has filled the Chair of State in that Commonwealth, in a letter published by himself, and directed to the President of the United States Bank,\* and addressed in a strain of only too much devotion to the person addressed and to his institution, urged the propriety of a Convention. The public press everywhere echoed the suggestion. The only difficulty apprehended was to find some adequate persons sufficiently patriotic to assume the labor and responsibility of the initiatory steps in the work thus happily suggested. The banks of the city of New-York, after waiting long and discovering reluctantly, that no other persons were moving, moved in it themselves. Shall they now be taunted with the act;—told repeatedly, as they have been in this body, that the Convention is a New-York measure, called to subserve the peculiar interests and liabilities of New-York, and that the resumption of specie payments, is pressed indelicately and too pertinaciously! The respectable committee of the city are entitled to anything but censure; but since to censure

\* Its charter from Congress had expired, and it was now existing under a charter from Pennsylvania.

them is the fashion, I also have a charge against them. Instead of too much pertinacity in sustaining the great measure to which their call invites, I charge them with coming to this Convention prepared sufficiently for neither offence nor defence. Except the venerable gentleman (Albert Gallatin), to eulogize whose wisdom, experience, and talents has been the preliminary topic of every speaker who has sought to defeat his recommendations—who among all the city delegation has spoken in this controversy? Not one. The venerable gentleman is, I admit, a host within himself; and while his character needs not our voucher, forming as it does, a part of the history of our country, and while I am sensible that our praise or dispraise must at this late day be equally indifferent to him, I will not imitate in eulogy the speakers who oppose him; I will show my reverence for his talents, wisdom, and experience by endeavoring to fix an early day for the resumption of specie payments agreeably to his recommendations.

Nothing also can be further from the fact than the iterated assertion that the Banks of New-York, feel any peculiar peril. The Legislature of New-York has, we admit, given her Banks a licence of suspension for no longer than some period in May; but should the Banks continue suspended after that period, their situation will not be worse than that of the Banks of other States who taunt us with our position. Look at the Banks of Pennsylvania. When their suspension was sought to be placed under the protection of a law, the Governor of their State published his refusal. The Banks, he said, should be kept under the constant terror of the sword of justice, which, suspended over their heads, was to fall on them suddenly, if they either called in their debts too fast for the convenience of the people, or called them in not fast enough for an early re-

sumption of specie payments. Within this dangerous strait the Banks of Pennsylvania are now steering, and yet they assume that the efforts of New-York for an early resumption of specie, is dictated by the peculiar peril of the Banks of New-York.

And what is the position of the Banks of Massachusetts? The Legislature of their State, we are complacently informed, has not designated May as the termination of the period in which the suspension of specie shall be legalized. True; but we know that the Banks of Massachusetts are now in the position which the Banks of New-York will occupy after next May: that is, they are now liable momentarily to a forfeiture of their charters, and exist at the mere sufferance of the community.

New-York, we are told also, will listen to no compromise, and is too pertinacious of the single measure that she advocates. But the question admits of no middle ground. New-York will compromise as to the time of resumption. She desires March, but she will, as a compromise, agree to a later day; but she cannot compromise by agreeing to designate no day. Instead of being a compromise, that will be a defeat of the object for which the Convention assembled. And permit me to say in conclusion, that should we adjourn without designating a day for the resumption of specie payments, we ought never to have assembled. The period of our meeting is full of interest, and many may deem it full of meaning. A Congress is assembling in which topics are to be discussed of known interest to Banks. Our decision may affect those discussions, and our decision may be obnoxious to the suspicion of being intended to affect them; and hence I heard with regret the remarks of some gentlemen, that we cannot resume payments till we learn first whether the sub-Treasury bill is to be enacted.

To withhold our action till that question is decided, is to act on the question ourselves, and to act against it.

The lessons of experience are, I trust, not to be lost on us. What destroyed the United States Bank? Was it a belief that such an institution is useless? No. It was destroyed in despite of its admitted great use to both Government and people. It was destroyed because the people suspected that it was endeavoring to coerce the Government into a renewal of its charter. Shall the Government conquer the Bank, or shall the Bank conquer the Government? was the issue which rallied the country and overwhelmed the Bank. I say not that the Bank was guilty of the charge against it; but if it were innocent, the warning to us is stronger than if it were guilty. The people will correct the Government, if they believe that the Government is directly or indirectly acting injuriously on the country by means of acting injuriously on Banks; but should the people only suspect that Banks are prolonging the suspension of specie payments, and thereby unnecessarily embarrassing the country, to goad the people into dissatisfaction with the Government, on the sub-Treasury question, they will sustain the Government and spurn the Banks from the earth.

We must therefore avoid, if possible, in our decision, not only all effect on Government, but we must avoid all appearance of intending an effect. Nothing, however, can be more difficult. If we designate a day for the resumption of specie payments, persons may say that the designation at this moment is intended to prevent the passage of the sub-Treasury bill; and if we adjourn without designating a day, we may be liable to the suspicion of intentionally embarrassing the fiscal concerns of the nation, for the purpose, on the part of some of us, of forcing on the Gov-

ernment a National Bank, or for some equally sinister purpose. The dilemma is painful, and I am aware of only one way in which we can pass through it with safety, and that is to perform our duty. If our decision shall conform to our moral and legal obligations, we may trust that the admitted propriety of our decisions will protect us from misconstruction; but if, contrary to our moral and legal obligations, we adjourn without designating a day, the impropriety of our decision will lead to misconstruction, how pure soever may be our intentions. In this case, then, as in all others, the path of duty is the path of safety. And besides, nothing will be more difficult than to establish the probability of pure intentions, should we adjourn without designating a day. The position of Banks is beyond endurance mortifying. The humility which turns one cheek when the other is smitten is nothing compared with the humility of Banks. Threatened, taunted, and despised for not complying with our obligations, we say we will not comply from deference to the interests of the people who thus threaten, taunt, and despise us. Can the people believe that Banks are thus disinterestedly encountering shame and peril? You can judge; but I am satisfied that should we even err in fixing a day, we shall err on the side of safety.

# PART II.

## OF THE STATE GOVERNMENT.

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### CHAPTER I.

#### THE CONSTITUTION.

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#### REASONS FOR CALLING A CONVENTION TO REVISE THE EXISTING CONSTITUTION.\*

WHILE history records but little more than unceasing attempts to circumscribe the natural rights of man, and enlarge the privileges of rulers, we occasionally institute the opposite experiment, of how far every man may be left unrestricted in the pursuit of his own happiness, and how far the superiority of rulers may be wholesomely diminished. In about five months we are to pronounce whether another experiment of this nature shall be tried or not. The object is undeniably benevolent, and with the known good dispositions and sedate views of our citizens, we ought not to be too suspicious of evil, miser-like clinging to our present possessions, and from the mere possibility of loss, refusing all attempts at further political acquisitions. The spirit of fair enterprise which leads us, step by

\* Published in 1845.

step, to perfection in other sciences, may, if directed to government, lead to results equally beneficial. The good which may be elicited at every trial, will be a permanent acquisition to mankind in all times and places ; while the mistakes that may be committed will be corrected by ourselves as soon as they are felt. The experience, too, of all our States in such trials is full of encouragement for the future, since every attempt has meliorated the condition of the people, for whose benefit it was instituted.

Before any man can assume that our present Constitution is incapable of improvement, he must believe that the congregated wisdom of the State can suggest nothing which is not already known to him ; this, too, in the face of defects in our judiciary, that oppress every suitor with “the hope deferred, which maketh the heart sick ;” and in the face of social inequalities that proceed not from the differences of intellect, health, perseverance, and other inevitable natural causes, but from a difference of privileges accorded arbitrarily to some men and denied to others. If any citizen wishes to erect a saw-mill, he receives no guarantee that another person shall not erect a rival mill in its vicinity ; but when a man has obtained from the Legislature a charter for the construction of a railroad, say from Utica to Schenectady, he has acquired a monopoly of the route, for no person can erect a rival road without like legislative facilities ; and no legislative application for such rivalry would be successful in one application out of a thousand. The corporators of such special privileges are, therefore, about as secure of their monopoly as though the monopoly were an express grant ; hence their stocks sell in market at premiums varying from 20 to 30 per cent. or more, while travellers, excluded from the benefit of rival enterprises, are helplessly subjected to virtually un-

restrained rapacity ; and the result is seen in enormous railroad dividends. Monopolies of this character, directed to numerous pursuits, flood our State ; and so corrupting is the power to create such monopolies, and so eager is the instinct of gain to procure them, that as early as the year 1811, Gov. Tompkins prorogued the Legislature, and sent the members home for a season, in the vain hope that the sight of their constituents would arrest a corrupt combination to charter a bank. Gov. Clinton's messages to the Legislature are full of evidences that the same corrupting influence was active in his day. From his suggestions, against what is technically called legislative log-rolling, arose the rule that no bill should create or alter more than a single Corporation, lest the want of merit, which should preclude the enactment of the bills separately, might induce their respective advocates in the Legislature to club, and pass them all. And in our own time, if rumor lies not, the members of our Legislature, as they journey towards the Capitol to enter on their duties, are occasionally (when their services are needed to create some new privilege) surprised by the equivocal courtesy of receiving free railroad tickets. Nor is the corrupting power to grant special privileges, and the corrupting consciousness that special privileges are obtained by favor and friendship, seen in only the dalliance of such appliances ; who cannot see it in the meritorious laws that are annually rejected, when they happen to conflict with existing monopolies ; as, for instance, last winter, the railroad from Albany to New-York, and from Utica to Binghamton ?—and who cannot see it also in the laws that are annually passed, when they happen to benefit political favorites ; as, for instance, the renewal, last winter, of two bank charters, after years of denial to kindred applications ? and what resisted, till the

people were weary of asking for it, the mere privilege of sending to and from Albany, by railroad, the produce and merchandise which the frozen canal cannot convey, and which, when transmitted by railroad, were to pay canal tolls? Let the tariff answer, which, last winter, the railroads established for freight, when they were at length compelled (not being quite ready to accept this additional branch of lucre) to accede to the wants of the country; but acceded by freight charges so great as "to keep the word of promise to our ears only."

In the year 1821, when our present Constitution was created, the evil of special legislation was sought to be corrected by the expedient of a two-third vote. Experience shows that this has increased the facility of obtaining charters, legislators being now, by a spirit of concession, induced to help make up a two-third vote, when, had applications depended on the vote of a mere majority, they would have exercised on every question, their personal convictions of duty. Nor, in truth, is the remedy at all adapted to the disease. The evil to be remedied is the *creation of monopolies*, while obstacles in the way of their creation augment the monopoly when granted, just in proportion as the obstacles prevent the creation of rival institutions. The New-York Life Insurance and Trust Company illustrates this principle. It was chartered in 1830, unlimited in duration, with a capital of a million of dollars; and it is, moreover, a close corporation, the directors being self-appointed, not elective. The magnitude and novelty of these and its other powers conform well to the novelty of the combination of great names that united in procuring the grant. Subsequent Legislatures have constantly refused to create any similar institution, deterred therefrom by the peculiarity of its powers; or, more likely, (so debased

is the character of all special legislation, and ours is among the most debased,) because no similar institution has been sought by names equally influential; consequently the Company has long enjoyed an unmolested monopoly of its peculiar functions, and its stock brings more than 60 per cent. advance on the money invested, besides paying semi-annually great dividends to its stockholders, and rich salaries to its officers. And not long since, after suffering in fraud a loss about equal to a quarter of its whole capital, the loss constituted only a diminution of its surplus profits. If, then, special privileges are aggravated in their inveteracy by all restraints on their creation, short of a total prohibition, what ought to be our remedy, desiring, as we do, equality of privileges among all our citizens? It consists not in making stockholders personally liable for the debts of their respective Corporations; for, while this may render such monopolies less desirable property than at present, it still leaves us cursed with unequal legal facilities in the pursuit of wealth. Only one remedy seems practicable. The Legislature should be prohibited from granting any special privileges.\* If the agency of corporate combination is desirable in the construction of rail-roads, insurance companies, benevolent institutions, factories, or any other object, the act should be general; like the existing laws incorporating churches, public libraries, free banks, and some manufactories; so that whoever wishes may obtain the same powers. Privileges that are improper for all should be granted to none; and what are within the reach of all, will cease from being invidious. If a rail-road route shall then be deemed capable of sustaining two establishments, an opposition will be produced, and the community

\* This prohibition was incorporated in the new Constitution, but it is essentially evaded.

will enjoy the benefit of competition ; as now, when rival mills are erected on the same stream, or rival stage coaches on the same turnpike. Our Legislature, relieved from the corrupting power of granting special privileges, will be disburdened of more than half the business which absorbs its time, while rail-road travel, relieved from the palsy of exclusiveness, will transport us in all directions at half the present charge, and perhaps at twice the speed. When steamboats on the Hudson were a legislative monopoly, the fare was seven dollars, and the trip occupied thirty hours ; while now the fare is only fifty cents, and the time of travel ten hours. We wonder at the past generation for having supported such a burthen, while still believing that they lived under a government of equal laws ; and doubtless our successors will contemplate with surprise the special privileges that we tolerate. In truth, with our seventy years' apprenticeship to liberty, the time has been too short to eradicate the exclusive legislation of preceding ages. Only seven years have elapsed since men could pursue the business of auctioneering without a commission from the Executive, in whose hands such licenses were reserved to reward favorites ; and they often made a sinecure of their commission by selling the use of them. Till within a year, no man, however gifted, could lawfully practise medicine without a special authorization ; and even now such a practitioner is subjected, for certain offences, to penalties which are not imposed on licensed physicians, who should be equally guilty. Scarcely two years have elapsed since all our agricultural products, and nearly all our raw productions, that were designed for exportation, were compulsorily subjected to a swarm of petty monopolists, weighers, inspectors, and measurers, armed with a mass of legislative fees and penalties, expressed in full forty-nine pages of our

Revised Statutes. The imposition is happily so far mitigated, that the buyer and seller are not compelled to subject their property to the inspectors, weighers, and measurers; though certain officers only can, even as yet, perform these mechanical duties when such services are desired. Our towns and villages also have their exclusive weighers, measurers, and inspectors. In Albany, for instance, one man alone can measure stone for hire, under a penalty of ten dollars for every infringement of his monopoly. In a Government like ours, something is due to the principle of liberty; for, as we accustom ourselves to cherish its minute ramifications, the habit will be strengthened of preserving its more important ministrations. Many persons suppose that the whole system is erroneous, which superadds to the instinct of self-interest legal regulations like the foregoing.\* Men are probably as seldom cheated now, in the sale and purchase of produce, as when they were compelled to pay inspectors and weighers. Men are also auctioneers without commissions, and physicians without diplomas, and no evil results from the liberty; though the latter concession to equal rights was gained, petty as it is, only after years of struggle, and the disregard of hosts of imaginary spectres. Possibly, also, could every man who pleases, (unlicensed except by his own will,) practise law, peddle goods, and even sell rum, or keep a tavern, no evil would result, despite the fears of the interested, and the shrieks of coercively-disposed philanthropists.

Improvements have been suggested also in our civil organization. Each town is a little Republic, whose powers have been steadily enlarged, till it elects its own justices, and each county its own sheriff and clerks. A disposition seems general, to extend still further both town and county

\* These evils also the new Constitution abolished.

agencies, to the Legislative and Executive wants of their respective localities,\* the belief seeming daily to increase that the people are the safest repositories of power—having no sinister objects to advance, no sons to make clerks of courts, and no brothers to make registers in Chancery. Should each town and county legislate for itself in what concerns its local interests, and the State confine its legislation to only what effects the interest of all, our State Government would assimilate to that of the United States; our towns and counties occupying somewhat the same relation to the General Legislature as the States occupy to Congress. Possibly, also, our Assembly may be improved by making its members no longer the representatives of counties, but of election districts,† into which each county may be separated, so that every member will be known personally to all his constituents, and being dependent on them for his political consequence, represent them more truly than when his elevation depends, as often at present, on the intrigue of a party tactician, who expects in return some special subserviency to his personal ambition.

But, finally, were we disposed to doubt the capacity of the people to revise our Constitution, we possess no shield to the danger, except the wisdom of the same people in a negative of the proposed Convention; and hence arises a dilemma, which seems conclusive in favor of the measure; for if the people negative a Convention, from mere possibility of an injurious result of its deliberations, the negative will prove that they might have been safely trusted to pass a verdict upon the results, after the Convention had adopted them. And the negative will prove further, that we, “like the eye of childhood which fears a painted devil,”

\* These improvements were partially adopted.

† This was adopted in the new Constitution.

needlessly lost the social improvements which possibly a Convention might have originated, composed as it must be of delegates known to the people for sagacity, and convened to deliberate expressly on existing evils and prospective benefits. The converse also of the above argument will not impair its cogency ; for, admit that a sanction of the Convention by the people will not, like a negative vote, prove that the State is safe from all injurious amendments, how is this admission to help us ? The Legislature has placed us in the hands of the people, and we cannot escape from the consequences ; or rather, the Legislature has left us where God has placed us, for God, in giving the majority of physical strength to the numerical majority of men, has placed the smaller number at the disposal of the greater ; and when this standard of natural power, which we have made the standard also of political power, shall prove itself to be an unsafe conservative of moral rights and intellectual propriety, it will prove likewise, that our theory of government is wrong, our Republican institutions but a pleasing dream, and that, like the races of men who have preceded us, we must choose whether we will give up our equality of rights or our social well-being. And, perhaps, no period for such an experiment is more favorable than the present ; for we had better make it in this our day of national youth and consequent virtue, when the equality of rights we possess (and which we would fain make entire in a new Constitution) is not vastly different from the equality of condition that we enjoy by fortune, than wait till time shall have matured in us the vices of a dense population, and divided it into the unwholesome extremes of great poverty and great wealth, great learning and great ignorance. And that these dangerous extremes may be delayed, or happily never come, let us, as far as Providence

will permit, eradicate their sources, by prohibiting all special privileges, which only make the rich richer, and, by removing all special disabilities, that only make the poor poorer, the debased baser ; and, forgetting for a moment all personal considerations, seize the present opportunity, and make our New-York, which we fondly call the Empire State, a model Republic.



### THE DELEGATES WHICH SHOULD BE SELECTED TO FORM A STATE CONSTITUTION.\*

THE State Convention having been overwhelmingly adopted, the question which most demands present attention is, what reforms are desirable, and how the attainment of them can be best secured ; for we must not conceal from ourselves that what the people are to gain, somebody is to lose ; and the losers will resist the loss with an energy to be feared, because its motive will be disguised. The conscious vulnerability of existing chartered monopolies makes an election to the legislature, of both their known and secret beneficiaries, an object which the interested usually pursue with success ; and the same principle, augmented by a new danger, will crowd such persons into the Convention, where they will be but too willing to favor any project that will leave them in possession of special privileges, at the expense of some change in the mode by which the privileges are to be perpetuated. The danger from this source is peculiarly great, because public attention has been directed more to a reform of the terms on which special privileges are granted than to a discontinuance of all such

privileges. But equality is our boast, and shall we not practice it? It is our right, and shall we not perfect it? Liberty is enjoyed in England, and many other countries, as fully as we enjoy it. We excel all nations in only equality of privileges; and the great question for the Convention to decide is whether all privileges granted by law to any one association of men shall not be common to every other set of men who choose to associate and possess them.

Another class of reforms, against which we ought to apprehend danger, are those that increase the political powers of the people; as, for instance, that all offices shall be elective; that the State shall be divided into single representative districts; and that the right to call Conventions shall never be again abandoned to the Legislature, but retained by the people, as a practical guarantee of their sovereignty. These argumentations of the popular influence will ratably diminish the influence of partisan leaders, who now control all nominations for elective offices, and dictate all executive appointments; and who will therefore employ every accustomed intrigue, and arouse every possible prejudice, to secure seats in the Convention for persons friendly to the control and dictation that are sought to be abrogated.

Alarming as are the foregoing dangers, lest the lamb should be delivered to the care of the wolf, no preventive exists but to obtain from the people decidedly-expressed feelings in favor of the desired reforms; for our managing politicians of every creed will rarely outrage unequivocal expressions of the public will. We shall obtain an amended judiciary, and of equal value, whoever may be chosen as delegates; but the reforms to which the preceding observations refer, and kindred measures, are favored by only a

portion of our citizens. To obtain these reforms the Convention was principally advocated; and to prevent their obtainment, the Convention was mainly opposed. To deliver it up now to those who thus opposed it, would be equivalent to the old adage of yielding a pail full of milk, and then upsetting it. We are not forced to adopt the recommendations of the Convention; and hence we need not fear should the most radical reformers control it. A Convention which will not submit reforms to the option of the people, is more to be deplored than a Convention which will submit too much; for the people possess the power to reject, but not to add. When the Legislature submits any subject to a committee, a majority thereof is always selected from persons who favor the referred subject, because an unfriendly majority would render a reference nugatory; so we may as well have voted against a Convention, as vote for delegates who are hostile to changes, and especially to those which the Convention was called to effect.



#### STATE DEBT AND TAX LIABILITY.

THAT the new Constitution should restrain the Legislature, in the creation of debt and the imposition of taxes, was originally called the People's Resolution, to characterize its alleged importance to the political influence and pecuniary security of the people. When a city wishes to improve its streets, the persons at whose expense, and for whose ostensible benefit, the improvement is to be made, are always consulted preliminarily, and their decision is equitably the only justification for the expenditure. So

when the Croton River was to be introduced into the City of New-York, the Legislature refused the necessary power, unless the people would declare by their personal votes that they were willing to incur the cost. And still more recently, when Albany desired to borrow money for the completion of a railroad, the inhabitants were permitted to say whether they would purchase the benefit at the hazard of the proposed debt. The principle of the People's Resolution is, therefore, not new, except in its application to the State Legislature, whose exemption can hardly be justified, (itself being judge, as in the above examples,) but only on the bad rule that might makes right. And to show still further the propriety of subjecting the Legislature to the same rule to which it has spontaneously subjected subordinate representative bodies, we must remember that the restriction is to apply only to expenditures for supposed lucrative results, as the creation and completion of canals, and not to such as are essential to the preservation of public order, the support of justice, the suppression of insurrection, and the defeat of invasion. These objects being necessarily implied in the creation of a State Government, the Legislature possesses in relation to them a power as solemn as the people can confer. Even in the construction and completion of canals, no desire is manifested to subject their progress to the vote of the people, when the Legislature possesses resources for such objects, without taxation or debt; because all money possessed by the Government being a result of powers delegated by the people, we may properly infer that the disposal of the money at the discretion of the Legislature, was included in the delegated powers.

Nor is the people's direct sanction to the creation of a debt defensible, on abstract principles of justice only to

themselves. We all know that taxes are odious, and that legislators often shrink from the responsibility of imposing them, even to fulfill existing obligations; and that when imposed, they cannot be collected against any general repugnance of the tax-payers. Ought we not, therefore, in justice to public creditors and our national honor, to make our State promises as personal as possible on the citizens individually, that our representatives may be strengthened in the performance of duty when taxes are indispensable, and that the people may view them as a debt personally contracted? Besides, who has not seen how recklessly debts are created, when the person contracting is a mere agent of the substantial debtor? Hence, how prudent is the requirement that a debt, which is to be a charge on the whole State, should require a sanction not limited to our representatives, who may possess political and personal motives peculiarly their own, but should require the aggregate sanction of all interests—of the poor, to whom a dollar may be important, as well as of the rich, to whom every tax may be unimportant; of the neutral in politics, as well as the partisan, to whom the favor of an interested locality is better than money.

But another, and perhaps better, expediency for the measure, is the increased personal influence with which it will invest every citizen,—and the intelligence of a people expands uniformly with their privileges. On this principle the trial by jury is, in none of its aspects, so beneficial as in its intellectual and moral effects on the people who are liable to become jurors. In France, where the institution is recent, the fitness for jury duties, of any promiscuous number of persons, contrasts disadvantageously with the fitness of ours, in about the proportion of the relative duration of the institution in the two countries. In Russia, the

agriculturalists are as much excluded from all governmental agencies as our Southern slaves; and the intelligence therein of the two classes is ratably equal. But the influence of privileges is most strikingly apparent in the common eligibility to office of all our citizens. Our public offices are filled from all classes of our people, and with no very critical regard to the present fitness of the occupants. A man without any legal education is made a justice, and with very little, a judge; and without any special political training, finds himself suddenly a legislator, governor, ambassador, a head of department, (naval, perhaps, without ever having been on ship-board,) or even a President; still such persons soon grow to their stations, and fill them with as much propriety as though they had expected them always, and been educated in the expectation. The more, therefore, we cast upon all our citizens the responsibility of regulating our State, the more will the lowest citizen become elevated, and the less will the accidentally exalted become unwholesomely peculiar; and what is still better, the more will intellect and moral self-respect become general. Nor is the intellectual improvement of our masses a mere abstract benevolence. We have given to the majority of numbers the disposal of life, and all its cherished incidents; hence each of us is interested in the intelligence and virtue of all. Nor need we desire a better guarantee than we possess for our personal rights: for among us intelligence is so equally diffused that every numerical majority of our citizens, however temporarily marshalled under contending political heads, will be sure to include the majority of knowledge. So true is this in practice, that nearly every man will admit, in all our political contests, circumstances eventually demonstrate that the decision of the majority is right. The demagogue influ-

ence of one party is neutralized by the demagogue influence of its opposing party ; while every important question is eventually decided by the multitude of voters, whose partisan ties are too feeble to pervert their judgment or subvert their patriotism. This equality of knowledge among our citizens adds immeasurably to the permanency of our institutions, which otherwise would have long since fallen a victim to the rage of some disappointed minority, willing, as they have been occasionally, to march in arms to Washington,\* and assume the Government by force, had not the opposing majority been an over-match in knowledge, as well as in numbers, and thus making every decision of our ballot-boxes the decision of an inexorable destiny.

If, then, the numerical majority of our citizens is armed with not merely a majority of muscular strength, (as they must be by nature,) but also with a majority of knowledge, to give due efficiency to their physical preponderance, the conclusion is irresistible, that if they desire, in the matter of debts and taxes, a personal control over our Legislaturè, no natural right exists in the minority to interpose a prevention ; and when our Constitution, by its two-third requirement, performs artificially for the minority what nature and reason equally refuse to perform for them, the Constitution errs in principle, and the error is alone good cause for a Convention, that the error may be corrected.

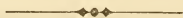
The merits of the proposed debt-restraining amendment is a question wholly different from the right of the people to demand and obtain it. Their desire alone is a sufficient warrant for it, irrespective of its merits. To say, however, nothing of its merits, an undue disfavor may attach to the restraint, from a supposition that its adoption is equivalent to a perpetual abandonment of our suspended public im-

\* This was threatened during the United States Bank Controversy.

provements. This consequence can ensue only on the assumption that the public works require, in their completion, loans which the people will not sanction. Such an assumption may prove to be erroneous, not only as respects the decision of the people, should loans be necessary, but also as respects the necessity for loans; but, if we concede all assumptions, who will say that the canals ought to be completed on loans, if a majority of the people are opposed to such a procedure? Indeed, those who wish the completion of our public works (and the writer is one of the number) ought to be glad that the fate of these improvements is to be contingently removed from the representatives of the people, who may misconceive the public will, to the people personally, who cannot misconceive; and on every such appeal the consciousness will be general that the decision is right; for with us the doctrine that the king can do no wrong is strictly applicable to the people. Their decision cannot be wrong, for it virtually constitutes right.

But, finally, whether the Legislature shall continue to be endued with power to indefinitely contract debts, is only one phase of the more comprehensive question of whether our amended Constitution shall, like the present, confer on the Legislature unlimited legislation; or whether, like the Constitution of the United States, it shall confer only certain circumscribed topics of legislation, reserving to the people themselves all powers not granted. So completely, under the present Constitution, are the people divested of all means of legal action, except through the medium of their Senate and Assembly, that if last winter our Legislature had, like the Legislature of Rhode Island, refused to authorize a Convention, our citizens, like those of Rhode Island, might have reverted for redress to their natural

rights; but they would have possessed no constitutional means of effecting their wishes. Clearly then, in surrendering to their representatives all power, the people have reserved to themselves too little. But what powers soever the people may choose to reclaim, the Convention in its wisdom must decide; but should they desire no more than to be consulted whether they will forego public improvement or be taxed to procure them, the reservation is only what each man expects when his wife wants to benefit him by painting his house, or his neighbors want to benefit his children by a tax to increase the district library. The cases seem different, because in our domestic expenditures we are accustomed to a liberty of choice, and therefore prize it, while in our State expenditures we have never enjoyed a voice, and therefore feel not its value; we may even reject it when offered, as a bird enured to his cage will refuse to fly when the door is accidentally (as in our case) opened for the recovery of his lost freedom.\*



## ARISTOCRACY AND NATIVISM.

AN impression has pervaded society in all ages, that the rich require some guarantees against the encroachments of the poor, who are assumed to possess an appetite for property in proportion to their lack of it, and with an instinct like that of ravening wolves, needing legal chains, bars, and bolts to restrain them from seizing by violence what is denied them by fortune. The Constitution and laws of every people bear sad evidence of this belief; and to it, rather than to any absence of humanity, we may attribute the property qualifications, which even our Constitution (so

\* The restriction was in the new Constitution.

slow is the progress of liberal principles) yet requires in senators and governors, but which at our next election we shall be permitted to expunge forever. Providence has not, however, performed its task so lamely in the structure of man as to render oppression a necessary bond of society ; on the contrary, the exercise of benevolence is made not merely our duty, but our interest—the poor being endued with a humility (springing spontaneously from their necessities) that requires to be counteracted by incitements rather than increased by legal depression, would we call into full activity, for the general benefit, all the powers the poor possess. Such is the invariable course of Providence. Where the wind cannot be attempered to the shorn lamb, (as it cannot be in the case of the poor,) the lamb is attempered to the wind ; or, as the proverb expresses the same idea, every back is shaped to bear its own burden. So well known is the humility of the poor, that to treat them with ordinary courtesy is stigmatized as courting them ; and so often is such conduct practised for sinister purposes, that we can hardly avoid viewing it suspiciously, as the ladder by which ambition is seeking to mount into power.

Notwithstanding this rooted impression, that property needs special protection, history furnishes no instance of an organized attempt by the poor to oppress the rich ; and when we require an example thereof we usually resort to fiction, and adduce the Jack Cade of Shakspeare. The anti-rentism which, unfortunately, is afflicting a portion of our State, may be thought an example of the aggressive spirit in question ; but so habitual with us is respect for law, even when it chances to be oppressive, that we may well suspect some great provocation as the origin of anti-rent combinations. The highest authority proclaims that the tree shall be known by its fruit ; bad indeed, therefore,

must be the tenure that in our country yields such fruit. But while we have no concern with this question, are we sure in our indignation against the ungentlemanly mode of cheating practised by anti-renters, that their hard-fisted resistance of exactions, however exorbitant, (and against which, for themselves and their posterity for ever, they are led to expect neither judicial nor legislative redress,) involves so total a moral depravity as to prove that the poor cannot be trusted with an equality of privileges? The character of actions must be sought in the motive; and, thus estimated, are not men who are without legal redress against oppression some little excusable for attempting illegal redress?

If we examine other causes of alleged encroachments by the poor upon the rich, we shall find usually that they are only attempts made peaceably to reduce legal inequalities. The time is, however, arrived with us when we may reasonably hope to see inscribed in full on our new Constitution, that property shall possess no special privileges, and the want of it shall constitute no disqualification for any public office of honor or emolument, of trust or confidence. Then will be abolished the more than absurd (for it is useless, and therefore wicked) stigma on the poor, which is found in our present jury system. To be either a grand or petit juror, the law requires that a man must possess "a fair character, sound judgment, be well informed, and of approved integrity." If these qualities should be found associated with poverty, one might reasonably hope that even policy would teach us to reward the conjunction, to look approvingly on the tree that yields good fruit, despite its bleak exposure. But not thus argue our laws; for though jurymen are not drawn casually from the mass of our citizens, but are selected, for their intellectual and moral

fitness, out of the inhabitants of every town, by its clerk, supervisor, and assessors ; or out of the body of the whole county, by the supervisors thereof—all persons not possessing a given amount of property are excluded from the honor (such it is, though burthensome) of performing jury functions ; and what is worse, the poor, who, as a class, need instruction more than any other, are thus excluded from obtaining, by the easy access of the ear, the legal knowledge, whose obtainment is inseparable from the performance of jury duties, and one of the chief advantages of the institution.

Our conduct towards the poor, in withholding from them honorary trusts, contrasts disadvantageously with our conduct toward them in imposing burdens. Our Bill of Rights guards the rich man's possessions by an interdict against taking his property for public uses without due compensation ; but the poor man's labor, which constitutes his only wealth, receives no such guarantee ; and, consequently, knowing that we may at some indefinite time need his service to protect our wealth, we exact from him, without compensation, that he shall not merely keep himself armed and equipped, but that he shall set aside whole days in every year to make himself expert in military duties. If we endeavor to soften this injustice by claiming that militia service is a general tax, levied alike on rich and poor, we only shift the injustice, without removing it ; for on what equitable principle should the tax of a poor man be equal, as in this case, to the tax of the richest ? And especially is the grievance of the poor enhanced when necessity requires a promiscuous draft from the militia ranks to quell domestic violence. True, in such a contingency, we may, after much legislative entreaty, dole out, as recently, a pecuniary pittance for their service ; but have the poor no

reason to complain that remuneration for their property (the energy of their bones and muscle) is less especially secured to them than the cattle and grounds of a rich man are secured to him.

Kindred to the vulgar error, that the poor are hostile to the rich, is the opinion that adopted citizens are hostile to natives, and hence not to be entrusted in important political offices; this too, in opposition to the experienced faithfulness of such citizens in all our wars and dangers; in opposition, also, to the clearest impulses of human nature, which forbid that a man who expatriates himself, with all his substance, should sacrifice the country he has voluntarily chosen, for the country he has voluntarily forsaken. Still, our Constitution adopts the error, and, to give it efficacy, curtails the freedom of native citizens, by prohibiting them from electing to the office of Governor an adopted citizen.\* The effect of the prohibition, practically, on the liberty of the people is small; for with all the prejudices on the subject, that exist but too spontaneously, the power to elect an adopted citizen would rarely, if ever, be exercised; and this only makes our prohibition less excusable. Like the red cap which the Greeks wore, till lately, compelled to wear when they sojourned in Turkey, the only effect of an exclusion is to gratuitously degrade, and therefore to debase, those whom by every principle of policy we ought to elevate; for if foreigners are worth receiving as citizens, the better citizens we can make them the greater is our gain. Who, that sees the meliorating influence of our institutions on the rude and rough people (grotesque often in their dress and language) who arrive upon our shores, and scatter themselves over our country, with their wives and little ones, would remove from their newborn hopes one vision of future bliss? Who would pro-

\* The new Constitution remedied this.

nounce on these weary pilgrims, and on the little ones still clinging to the mother's breast, the perpetual doom of constitutional exclusion from any honor they may hereafter fit themselves to receive at the hands of an intelligent people, willing to confer it were they not forbidden? This error in our political system the proposed Convention may remove; and no time for such a measure is so fitting as the present, when we have just escaped from the sudden effervescence of a malignant spirit of nativism, that has sought still further to exasperate the prejudices of nationality, and to make adopted citizens a degraded caste, even to the withholding from them the right of worshipping the Creator in the mode dictated by their consciences. Could such counsels unhappily prevail, our country, instead of extending from the Atlantic to the Pacific, and being then too small for the crowds that are teeming into life among us faster than any census can keep pace with them, would shrink into some narrow strip, which, like an old man's garment, would soon become "a world too wide for his shrunken limbs."

Finally, we have tried long enough to benefit the public by granting special privileges to a select few; let us try whether the benefits will not be greater by making the privileges common to all. We have tried long enough to benefit foreigners by charitable societies, to attend to them when sick, and bury them when dead: let us eradicate the prejudices that make them perpetually inferior to natives, and perhaps they will pay their own doctors, and find a funeral without charity. We have tried long enough to benefit the poor by giving them soup in winter, and penitentiaries at all seasons: let us give them the legal privileges of the rich, and haply they will cook their own soup, and enjoy better incentives to worthy conduct than the fear of penitentiaries.

## MUNICIPAL CORPORATIONS.

OUR Constitution permits the infliction of special burdens, as well as the grant of special privileges. What would farmers think, should every man be compelled to Macadamize the road in front of his farm, or even to repair it in an ordinary way, except by a ratable contribution with all the other inhabitants of his road district? Still, in cities, persons whose lands lie along any street are compellable by the city authorities to pave and flag it for the use of the public. And these exactions are often less disastrous to land owners than requirements to fill up low streets, dig down high ones, drain wet ones, and open new streets; hence, in perhaps every city, hundreds of acres (especially of suburbs) remain with the owners at the sufferance of the local corporation, who can compel expenditures on the land that will induce its abandonment; while in some cities the option of abandonment will not avert liabilities which, in known cases, have deprived the owner of not the assessed property merely, but of all his possessions. Such extremes are of course not frequent; but so inherently vicious is the authority in question, that a member of almost any municipal corporation will display great resistance of temptation if he can pass through his civic year without sanctioning some wrong that would merit a penitentiary punishment if practised without the sanction of law. Even in Utica, of which the writer would speak kindly, he has purchased property in fee for a much less sum than the seller paid on it, many years previously, in assessments for grading and extending the street on which the property was situated. But, as respects Utica, the writer, to avoid every suspicion of personality, excludes her

from all the preceding and following remarks, except to the extent only in which they refer to her by name.

If paving, flagging, &c., concern those alone who own adjacent land, with them alone should rest the option of paving or continuing unpaved ; but if the paving concerns the whole city (and on no other principle can a city government claim authority over the question), on the property of the city at large should rest ratably the expense of the improvement. Any different proceeding exhibits the anomaly of power in one set of men to decree improvements which another set are to pay for ; since experience shows that costly improvements are seldom ordered when the real estate that is to be burdened with the expenses is owned by the members of the corporation who decree the improvement. They are more usually in the position of the lawgivers of whom 1800 years ago was said reproachfully : "Ye lade men with burdens grievous to be borne, and ye yourselves touch not the burdens with one of your fingers." To thus ward off onerous improvements from one's own real estate constitutes one of the benefits which makes a seat desirable in a city's councils ; while another benefit consists in the ability to cause improvements to be made at the expense of others that will benefit some proximate property of one's own. So naturally corrupting are powers which permit such results, that a person well acquainted with local interests can usually foresee, after every municipal election, where costly improvements will be ordered during the incoming civic year, and especially where costly improvements will be forborne, except such as are to be made at the common expense ; and so demoralizing of public sentiment is such legalized privateering on private property, that when an officer is expert in the practice of it, he is deemed by many only a shrewd man of enviable tact and thriftiness.

Nor are the foregoing the only temptations to evil. The system permits discriminations, which are sometimes used to revenge personal wrongs, sometimes to punish general unpopularity, and sometimes to deplete over-rich or absentee land-holders; hence, nothing is more common than the most abject petitions, private and public, direct and indirect, (through influential friends,) to avert meditated improvements, which, in contemplation of law, are to benefit the remonstrants, and who, by virtue of such contemplation, are to pay the expense. And, still worse, nearly every corporation is surrounded by a multitude of retainers, who live by performing the labor and furnishing materials for coerced improvements. Like camp followers, they are ready to rifle the slain and wounded whether the fallen be friends or foes; and, being usually the belligerents most relied on for success at elections, every existing officer who is ambitious of a re-election propitiates them by his zeal in supplying them with spoils; and hence his chance of continuance in office is in an inverse proportion to the regard he exhibits for economy and resistance of expenditures. And nearly every city is afflicted with not merely one such army in possession, but with another in reversion, dependent on the success of a rival set of city officers, to be voted for at the incoming civic year. And as anticipators are ever more numerous than participators, the army of hope are generally able to change annually the city government, and to place it into new hands tremulous with gratitude to partisans who press around for remuneration, with an appetite sharpened by a year's abstinence, and made impatient by the consciousness that the time to make hay is while the sun shines. Even Utica has not always been exempt from the foregoing vices, that seem not the fault of individuals, but rather of the bad organization of

which she participates ; for one of her ex-aldermen has said, that when he once boggled about the expediency of some projected costly improvement, he was told explicitly by the " wheel within a wheel " of his day, that if such was his course his career would be short. We have not, however, approached the point arrived at in some older city, when an alderman sometimes becomes so suddenly rich, that it reveals a foregone secret iniquity, as unmistakably as the sudden expansion of a spinster's waist.

But our concern is not with evils, which, like collusion with contractors, depend for their cure on a reformation of public morals, but on such as the approaching Constitutional Convention may remedy. Every city improvement of a street must necessarily benefit some person specially, in addition to the general benefit. The like can be said whenever a country road district improves a highway, or our State constructs a canal, or the General Government a harbor ; but nowhere except in our cities is the incidental beneficiary compelled to pay the whole expense of the improvement, so that the public, which orders the improvement, may obtain it free from charge. In thus reversing the principle which, in our General and State Governments, looks to the public benefit only, and disregards incidental private advantage, we, in effect, take private property for public use without adequate compensation satisfactory to the owner, and concentrate ruinously on a few persons an expense which, if borne ratably by all the property of the city, would seriously afflict none. Men who congregate in cities may be supposed willing to bear all burdens that on known principles are incident to a dense and luxurious population ; but we need not suppose them willing to see principles reversed, and to suffer as morally right in cities what would be morally wrong in

other places. Nothing exists analogous to the foregoing city code, except the former postage system, that now is generally execrated, and mainly for the feature in which the analogy resides, namely, for making the incidental private benefit to individuals in employing the post-office a means of extorting from them all the expense of the mail system, thereby enabling the public to use it free of expense for all the lavish purposes of all the departments of the Government; just as the incidental private benefit to a man in living on a paved street is made the pretext for extorting from him all the expense of the pavement, which is thereafter to be used, free of expense, by the community, with all the vehicles they may choose.

City assessments which produce these results are founded on a clause that exists in city charters, directing the expense of civic improvements to be assessed on the real estate benefitted thereby, and on every piece of real estate in proportion to its respective benefit. The provision contains a pernicious fallacy, in assuming that the benefit is only local; that it is confined to real estate, and that the local benefit is always pecuniarily equal to the cost of the improvement; while, practically, the filling up in front of a lot may cost a thousand dollars, and the lot subsequently be not saleable for half the money. Such inequalities, varying in degree, attend every improvement, and always to the impoverishment of the land-holder, because no improvement is worth to any given lot more than its utility to the person who resides on the lot; but the improvement is not graduated to subserve his use alone, but it is made sufficiently extensive in dimensions for the public at large, and sufficiently elegant to gratify the public taste.

But were civic improvements to become a general charge on the city, we may be told that a constant strug-

gle would ensue for the location, as we see in Congress when rivers are to be improved, and in our Legislature when a penitentiary is to be constructed. Such struggles are, however, only for location, not for the construction of useless works. So in cities, the struggle would not be for useless improvements while the eyes of an interested community were gazing on the fraudulent advocates. And, as an additional guard, every city should be limited in its annual expenditures to a given sum, to be annually ascertained by the vote of the people, as is now practised in country towns; or, if the sum is to be determined by the Legislature, it should be so small a per centage on the taxable property within the city as to leave no range for extravagance. Utica is limited now to an annual general tax of eight thousand dollars; but the power to burden by special tax is unlimited. This feature alone of our charter shows glaringly the inherent protective tendency of a common liability, and the inherent licentious tendency of withdrawing such protection from any portion of the community; hence the cogency of the crafty maxim, "divide and conquer;" for every whole can command justice by controlling at elections, and by remodelling, if necessary, the charter; but the especially oppressed can appeal only to sympathy and abstract justice, while the principle that afflicts them (special taxation for public improvements) bribes all the rest of the community to stifle sympathy and disregard justice. Even a knowledge by every man, that he may in turn suffer a like oppression, moves but feebly where the impending evil is contingent and may be remote; hence usually municipal legislators are left to an undisturbed control over the land-holders whom they may choose to victimize, while others look on with the philosophic calmness that is proverbial to men in the contemplation of

others' woes. The evil is fast detracting from the value of city property every where, while in places that are not vigorous in prosperity, real estate in many localities is worse than valueless; still, so few men are much affected by abstract considerations, that special grievances are the last to find redress. The great source of hope consists in the possibility that the evil may fall within the correction of some wholesome general principles that the coming State Convention may think proper to adopt; as, for instance :\*

First; That no land shall be compulsorily taken for any street, rail-road, canal, public highway, or other purpose, without full compensation to the owner for his land, and damage, irrespective of any benefit that may accrue to him or his remaining property by reason of the use to which the land is to be appropriated.

Secondly; That no person or property shall be compulsorily assessed or taxed for any object, except ratably in common with all the persons or property within the community who shall order the tax or assessment.



## EXECUTIVE PATRONAGE.

IN monarchies, all official powers are deemed emanations from the monarch, and therefore to be dispensed by his agency; hence, when our States and Nation began to form Constitutions, the absence of the kingly power required the origination of some new principle by which offices should be filled. The people occupied the throne of the monarch, but for them to exercise his appointing pre-

\* The first of the above clauses is now become the usual mode of assessment that the Legislature directs, when private property is to be taken for any public use.

rogatives, was too sudden a transition towards Democracy to find favor with the framers of our early governments. In the Convention which formed the United States Constitution, the people were freely characterized as too ignorant, and easily deluded, to vote in the selection of their immediate representative, the President, till by a process like the rectification of impure whiskey, their wishes were strained through a body of special electors. The inventors of this system little imagined that these wise special electors would almost immediately degenerate into mere automata, to parrot only what the people should predetermine, and thus at their solemn meetings to enact a solemn farce; well watched also, to prevent the enacting of anything but a farce. The distrust thus avowed of the popular will has been gradually subsiding, till the people, like a minor king, are approaching the period when all regencies must end, and the appointing power be assumed by them as the rightful sovereign. Already in Mississippi every office is elective, from the highest judicial to the lowest executive, the whole people electing officers whose functions embrace the State, while local officers are elected by the respective localities.

Our early statesmen, by looking too intently on the intellectual defects of the people as an appointing power, looked not intently enough on the moral defects of individuals for such a duty. Experience has made us wiser. In the dead level of our actual equality, pride almost starves for something to feed on; hence all offices that can confer honor are ravenously sought; and when the offices confer emolument also, two of the fiercest of passions, avarice and ambition, become united, and their conjoint assaults make sad havoc with the abstract good intentions of the unpractised men, whom our institutions suddenly invest with

executive patronage, to say nothing of the personal temptations which beset a man when he can, by a legal exercise of his powers, exalt in wealth and station his kinsmen and adherents. The ablest Chancellor our country has produced,\* and whose artlessness and purity were as eminent as his professional researches were profound, was still unable to refrain from bestowing on his brother the lucrative office of Register. He was only following the bad precedent of his predecessor, and foreshadowing in nearly all his successors a like practice, till such offices in all our courts are become a sort of sailors' snug harbor for valetudinary judges and their dependents. We may admit that our judges of law and equity have conferred on the country as much honor as the country has conferred on them, and given in righteous judgments more than an equivalent for their salaries. We may admit also, that a kinsman may discharge, as well as a stranger, the duties of his office; let, therefore, the recording angel blot out such records from Heaven's chancery, but to us the recollection may be permitted, as establishing the inherent unfitness of any man for the distribution of public honors and emoluments.

Our first Constitution sought a guarantee against the Governor's selfishness, by subjecting his appointments to the approval of four senators. This soon became unsatisfactory, and a constitutional amendment gave the four senators an appointing power conjointly with the Governor. Admonished, however, by numerous appointments founded on no public propriety, our present Constitution restored the appointing power to the Governor alone, but subjected it to the ratification of the Senate; and, to further purify the source of honor, withdrew many appointments from the Executive, and scattered them to the Legislature and

\* Chancellor Kent.

among the people. The change is principally important, as evincing the growing discontent with Executive appointments, and a growing public opinion in favor of the people, who thereby acquired the election of sheriffs, county clerks, and militia officers. The people were not yet deemed competent to elect judicial functionaries, but a constitutional amendment soon overleaped this barrier, and made justices elective, and mayors of cities. Nor has the advance stopped, but running ahead of the Constitution, public opinion forces every Governor to appoint county judges and other local officers, not according to his own pleasure, or, as formerly, at the secret bidding of partisan chiefs, but at the recommendation of popular assemblages. Still, this is defective. The people never act anywhere so well as at the ballot-boxes. Every other gathering can be only a meeting of delegates, and every delegate adulterates the general interest by some commingling of his private interest. But these reasons in favor of conferring on the people all appointments, are the sturdiest obstacles against the measure. All who live by office are interested in keeping the trade as secure as possible, and nothing would be so destructive of this end as an appointing body like the people—too diversified for intrigue, too numerous to be swayed by personal motives, and too unwieldy to be managed. Who can avoid detecting an absence of these wholesome checks in the spectacle, everywhere apparent, of some men who are always in office, and with whom rotation is only the exchange of a high office for a higher, like a snake which parts from its old skin only to assume a new one and a better. Several such officers are grown old under the drippings of the Treasury, and are become dogmatical; they have rotated till they are giddy, and the people are weary of them; but the evil continues unabated

from personal delicacy towards the incumbents, and which susceptibility by the present appointing power constitutes one of its worst characteristics. The people are too indefinite for delicacy, and therefore are admirably fitted for the stern distribution of patronage. The appointing powers, as at present organized in a Governor and Legislature, possess also an unwholesome prepossession towards men of their own order. Last winter, two aspirants for a high office were presented to a legislative caucus. Both were young; one had nothing to recommend him but his merits; the other, with perhaps equal merits, had been conceived in a high office, brought forth in a higher, and reared in the highest, and he accordingly triumphed over his humble competitor. This sympathy, which every grade of society feels for the members of its own order, constitutes in aristocratic governments one of their most depressing features. Why should we not give to the humble the benefit of the same principle, by placing the appointing power in the people? The lowly, in their struggles upward, would then be aided by the sympathy of the appointing masses, and, at worst, not be oppressed by a sympathy against them. And what can be more benevolent and deserving of our favor, than a principle which thus levels upwards in all contests between persons equally qualified—raising the low, rather, than as now, making the high higher?

And in the present appointing power, who can avoid seeing, also, that it is manageable to the precision of a barter, when occasionally a high officer is suddenly elevated higher, leaving his old place most opportunely for the necessities of some person whose agency, or his friends, was necessary in the transfer. Cases of this kind are so managed as to involve no gross immorality, but they evince the hopelessness of aspirations after office, when a man

possesses no support for his pretensions but a fitness for the station.

Nor have we yet enumerated all the vices of our present system, or all the interests that will struggle against its subversion. It is a powerful instrument of partisan leaders, to whom the two thousand appointments, and more, which are in the gift of the Executive, constitute a sort of prize money with which to stimulate the hopes and reward the zeal of personal adherents. No charity can avoid believing that a large portion of offices were created originally for no other purpose than the foregoing, and are preserved for no other end. Admirably, also, are they adapted in number to the exigency of the demand, and in quality to the capacity of the recipients—ranging from the solitary inspector of beef for the New-York Jews, onwards through hosts of inspectors, measurers, and weighers of everything everywhere, and upwards, to notaries, examiners, registers, commissioners of many things, agents, appraisers, special justices, marshals, and judges, to the chancellor in single and solitary grandeur, who, when once seated for life at ambition's topmost round, wonders probably at the fortitude which can endure the toil of climbing ambition's dirty ladder. Each by our present bad organization, instead of looking to the people for support, is, with some few exceptions, a spoke in the political wheel of some partisan chief, who is himself turned by some greater wheel, the whole being kept in its political orbit, not by patriotism, but by the centripetal force of an office in possession, or the centrifugal impulse of an office in expectation.

Finally, popular appointments will infuse a new interest into elections. The people act now so subordinate a part in their own affairs, that they require to be annually drummed into activity by monster meetings and travelling spoil hunters. By acting directly on appointments, and

thus deciding the destiny of their town and county acquaintances, [as well as of public men everywhere, the increased dignity of the elective franchise will add to its interest, and our country will be benefitted by the expressed opinion at the polls of the whole people, on all questions of government, instead of the voice, as usual, of only a casually attending portion; besides, while public officers are dependent for promotion on each other, they must serve two masters, and inspiration warns us, that men thus situated will cling to one and despise the other. Let the people, therefore, constitute themselves the sole master, lest occasionally they find themselves (as they have found more than once) that they are the master who is despised.\*



## SOVEREIGNTY OF THE PEOPLE.

ALL governors when single, as in monarchies, or numerous as in aristocracies, may originate measures for their own benefit, and in derogation of their countrymen; hence the evil of such governments. The people collectively can never be benefitted by misgovernment; hence the excellency of making the whole people the governing power. When all men are to eat of the same dish, they possess the guarantee of each that the food shall be wholesome for all. But a democracy so pure as the above has never been realized; while our own deficiency therein, after seventy years of effort, invites us to scrutinize the causes of our failure. Foremost among them is the gain which individuals make by encroaching on the sovereignty of the people; and

\* These Amendments were all embodied in the new Constitution.

so substantial have been the encroachments on us, that we possess but a very uncertain voice in the selection of our own most immediate legislative representatives. They are practically selected for us (no matter to what party we belong) by a few managing men in every town, who compose the rank and file of an organized class throughout the State, that make politics a lucrative occupation. To enable themselves thus to control the people in the most vital act of popular sovereignty, politicians have artfully inculcated, that to vote adversely to nominations so concocted, or to be a conflicting candidate by self-nomination or by friends, as is wholesomely practised universally at the South, is the most heinous of political offences; hence the people possess rarely any alternative but to choose between candidates who, whatever may constitute their other differences, are alike in being less the representatives of the public than of some intrigue concerted in secret long previously to the public nomination of the candidates; and which nomination is often as much a mockery of the people, as the poll instituted in France by Napoleon to decide whether he should become Emperor. Our Government is thus converted into a sovereignty of political tacticians, rather than a sovereignty of the people; and, accordingly, it admits several of the vices that obtain where a few control the many. Offices are invented, with elaborate ingenuity, to create partisans sufficiently numerous to pervade society, and sufficiently dependent to obey leaders. Even the General Government (unconsciously we hope) is made to furnish a quota of the required machinery. At least one United States' office has for years been located in Utica, with an annual salary not small, and for ostensible duties so palpably illusory, that the incumbent is probably cautious to keep his office a secret. Like instances are more

numerous in our larger cities. We are an ingenious, active people, fiercely fond of money, and these characteristics we have introduced rankly into our politics. Thrift, which in some countries follows fawning, is more readily gained here by active partisanship; and so essential is one to the other, that though thrift may exist in other connections, active partisanship seldom long survives the absence of thrift. The funds of the State and of the Nation, every thing belonging to the public, or connected with Government, from which emolument can be extracted, into what channel soever you see it flow, you may almost swear at a venture the private gain of some active partisan is the propelling agent: just as when you see on a fence the slime of a snail, you may be sure that a snail is to be found at the end of the trail. Nor are politicians of every creed more scrupulous of the means of obtaining power than of thus wielding it for profit. Could the anti-renters, by any necromancy, multiply their numbers at will, we should see that as the multiplicator increased, the sin of anti-rentism would diminish, till the holy horror against it which is simultaneously bursting forth just now at every political meeting, would be converted into as fierce a rage against landlords as was some years since manufactured against Free Masons.\*

That the above vices can be eradicated we ought not to expect; but the coming Convention may much increase the control of the people, and diminish the corrupting power of politicians; though an ominous presage of disinclination thereto in the Convention is irresistible, should the people elect no delegates but those who will be nominated by the machinery of partisans whose powers are to be circumscribed. But assuming that the people will secure

\* And some years subsequently against Southern slavery.

an honest effort to *achieve* their own permanent supremacy, much will be gained in a new Constitution, by electing our one hundred and twenty-eight Assemblymen, not by counties, as at present, but by small districts, into one hundred and twenty-eight of which the State can be divided :\* that the people may as personally as possible create the law-making power, which, when pure, is usually able to purify all other powers. The like may be said in favor of electing our thirty-two Senators, in thirty-two Senate districts, instead of eight, as at present,—in imitation of the improvement effected recently by Congress, in the election by single districts of congressional representatives.

Nor would such a blow at the machinery of party destroy any of the virtuous objects of party distinctions. Those of us who delight in the sovereignty of the people ought to obtain some better guarantee therefor than the political professions of our annually elected representatives. The principles which we wish to perpetuate, can be so interwoven into the Constitution as to insure for our laws the desired degree of democracy, whoever may chance to become the legislators; just as a skilful engineer, in constructing the track of a rail-road, establishes once for all the course which every car must travel, whoever may superintend its periodical transits.

The right to amend at pleasure their form of government, is another power which ought to be possessed perpetually, by the people, and which, more than any other security, will enable them to abidingly realize their sovereignty in the consciousness of a power to which all others are continually subordinate. We have seen in Rhode Island how a Legislature will withstand the people, even to the sword and cannon, when circumstances will permit the usurpation,

\* This was adopted in the new Constitution, and also the provision as to Senators.

and make obedience to the popular will a State-prison offence. We have seen in our own Legislature that the present opportunity to meet together in Convention, and devise improvements, was accorded to the people by an accident, in the casual disagreement of factions, though the impossibility had been several times demonstrated, that reforms widely demanded could not otherwise be obtained, and that the courts of law were almost literally closed to the discharge of suitors. Thus taught by experience, and fortuitously re-invested with a power that had been unwisely abandoned, never again let the sceptre depart from Judah till Shiloh come.\*

If five able-bodied sailors were shipwrecked on an uninhabited island, any three of them might make a constitution, which the remaining two might be compelled to obey, not by force of any artificial compact, but by the natural preponderance of three over two. This constitutes what men call the inalienable right of revolution, and but for this benevolent provision of nature, (instituted probably in pity of human imprudence,) the majority of every country would long since have irrevocably sold themselves to some artful minority. To the natural right of majorities our governments have added the obligation of artificial compact; still the principle is not made universal, for so slow is the progress of truth when it conflicts with long established error, that the constitutions of many States prohibit the inhabitants from modifying their government without the assent of two-thirds of the Legislature; thus making the Legislature sovereign over the people, and committing the further essential error of enabling a minority of the Legislature to defeat the wishes of a ma-

\* The Constitution of 1821 contained no provision for the calling of a Convention by the people to revise the then existing Constitution.

majority. The framers of these Constitutions probably supposed that the alteration of a statute is less important than the alteration of a Constitution, and hence that a statute should be more easily alterable ; but why should they not have argued that a constitutional error is more fatal than the error of a law, and hence that the power to amend a constitution should be at least as certain of accomplishment as the amendment of a law. Indiana substantially avoids these errors, by instituting an election every twelve years, at which a revision of its Constitution by a Convention is submitted to the popular decision. By the Constitution of New-Hampshire, a poll is opened every seven years in the several towns, by the supervisors thereof, and the people vote for or against a Convention. Every town sends the result to the Legislature, who are to call a Convention if the people have so directed ; but, strange to say, (except that this Constitution was made in 1792,) the amendments of the Convention are not to be obligatory, unless subsequently ratified by two-thirds of the people who vote thereon—a condition which the endless diversity of opinion must often make unattainable, and which, when unattained, must ever tempt the disappointed majority to resort (as is our case at this moment) to a revolution—though happily, according to the good sense of the times, ours is a peaceful one. If those who feel power proverbially forget right, can a system be safe which thwarts men who, being a majority, possess power and right combined ?

Nearly every Convention that assembles to create a Constitution, evinces a desire to immortalize its labors by making amendments difficult. The practice is founded in self-love, and is as ancient as history ; but till the framers of a Constitution are wiser than all other men, no reason exists why a future Convention shall not be able, with the

benefit of experience superadded, to make regulations equally wise ; nor why two-thirds of the people, or Legislature, shall be indispensable before a change can be effected in what was originally decreed by a simple majority, who acted in advance of experience, and consequently in the dark. An English writer of the last century, Godwin, says, substantially, in reference to this subject : “ Everlasting innovation seems the true interest of man, but governments are perpetually the enemy of change. Instead of suffering us to proceed onward, they teach us to look backward for perfection, as if the human mind always degenerated—never advanced. Every scheme for embodying perfection must be injurious, for a present melioration will probably become a future defect.” Let the people, therefore, not trust to even a *majority* of the Legislature for future constitutional amendments, but keep the power in their own only honest hands, like the citizens of New-Hampshire, that by a vote in their own town meetings, or otherwise, an ascertained majority of the people may at any time demand of the Legislature the call of a Convention. We have been urged to estimate as of vital importance whether the coming Convention shall submit to us its amendments separately or together ; but the question will be disarmed of its chief cogency, when we cease from estimating the adoption of the amendments as a species of matrimony, to endure “for better for worse, till death us do part.” The framers of our present Constitution placed at its commencement a devout acknowledgment of gratitude to God for permitting us to make choice of a form of government. Let us enlarge the prayer, and be able to thank God that we can abidingly exercise such a choice. We shall thus ensure, during all coming time, to ourselves and our posterity, the correction of evils before we become

hardened to them by custom, submissive to them through despair, or maddened by them into rebellion, and shall keep the honorable the Legislature, and all other honorables, in constant admonition that, though the Convention is passed away, and a new political millennium is begun, the people are not bound, like Satan, for any given number of years, but are unshackled and vigilant, all powerful to correct abuses, and as willing as powerful.\*

\* The new Constitution embodies these views.

## CHAPTER II.

### OF PRIVATE CORPORATIONS.

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LEGISLATIVE HISTORY OF CORPORATIONS IN THE STATE OF NEW-YORK: OR, THE PROGRESS OF LIBERAL SENTIMENTS.\*

§ 1. STATE CONSTITUTION OF 1777.—The first Constitution of New-York contained no specific provision for the creation of corporations, and they came into existence as only an incident of the general powers of the Legislature. The Legislature, on being solicited to create them, came easily to deem them favors, which were to be dispensed sparingly, lest capitalists should refuse to invest money in corporate enterprises—a notion that was assiduously propagated by the few then existing corporations, who naturally loved the possession of special privileges, and, perhaps, honestly feared competition.

Banking came early to be deemed peculiarly within the province of corporate agency, and as the business was lucrative to capitalists, and to men void of capital, who desired to borrow, a sharp contest soon arose between applicants for new banking corporations, and the existing banks that resisted the creation of rival institutions. This resistance was deemed so effective, that, in April, 1799, a bank was smuggled through the Legislature, under the guise of a charter “to supply the City of New-York with pure and wholesome water.” Such an expedient could neces-

\* Published in 1851.

sarily not be immediately repeated ; hence, in the year 1803, some persons associated without a legislative grant, and organized a joint stock bank in the City of New-York, on a species of limited partnership, and another was formed on the same principle in Albany. But the influence which could prevent the creation of banking incorporations was sufficient to procure, when the Legislature assembled, the enactment, in the spring of 1804, of a law to prohibit unchartered banking, and under its very penal restraints the joint stock associations were suppressed, and banking, which previously was a lawful business to any person who possessed the requisite means of conducting it, was made a franchise, to be exercised only under a special grant of the Legislature. It qualifiedly continues a franchise up to this day, except as to the reception of deposits, and making of discounts, which branches of banking were, in the year 1837, exempted from the restraining law, and made lawful to any person, or persons, except foreign banks and officers of the chartered banks of the State.

§ 2. LOBBY MEMBERS.—To resist the creation of new banks, or to assist in procuring them, came at length to be a regular mercenary employment, by men who, like the straw bail in courts of law, attended the halls of legislation to be hired, and were sarcastically called lobby members. They disguised their venality, by feigning to possess a reputable interest in the projects they undertook to support, or to be patriotic promoters of the measures for merely an alleged public benefit ; or if they were hired to oppose the measures, they feigned to be disinterested exponents of an alleged hostile public sentiment. Some of the persons thus engaged were otherwise respectable, and some were even distinguished as men of station, talent, and wealth. But the practices to which they resorted in secret, were worse

than their open acts, and became so threatening to public virtue, that on the 27th March, 1812, the then Governor of the State, Daniel D. Tompkins, terminated abruptly the Legislature, by prorogation, that the members might have time for reflection on the appliances to which they were ostensibly yielding. He declared, in a public message, "that beyond any reason of doubt, corrupting inducements were, some years since, held out to the members of the Legislature, to obtain their votes for the incorporation of a banking institution in the City of New-York, and very strong and general suspicion existed, that the emoluments then tendered were, in certain instances, accepted, thereby inflicting a deep wound upon the honor of the State, and upon the purity and independence of legislation. At the last session, an act was passed incorporating the late Jersey Bank, and a very general public opinion exists, that unwarrantable attempts were resorted to, on that occasion, to influence unduly the then Legislature. The journals of the Assembly show that attempts have been made to corrupt, by bribes, four members of that body, in relation to the bank now under consideration, and that improper influences have been employed on, at least, one member of the Senate. I entertain, therefore, the most fearful apprehensions that the confidence of the people, in the purity and independence of the Legislature, will be fatally impaired."

§ 3. LEGISLATION AGAINST THE TENDENCY OF NATURE.— But the evil reprobated by the governor was not curable by prorogation, and when the Legislature re-assembled on the 21st of the following May, the bank, which had caused the prorogation, was triumphantly incorporated. The evil of the times consisted, not in the susceptibility to bribery of the Legislature, nor in the existence of corrupt corpora-

tion procurers, but in the attempt to restrain the creation of corporations that were lucrative to the corporators, and beneficial to the public. We might well despair of the purity of legislation, at any time, if its security consisted in the absence of bribes. Providence has so organized man that he can rarely be bribed to perpetrate actions that will affect, injuriously, private persons or the public ; but he can be easily bribed to perform actions which he deems beneficial, how much soever any erroneous laws may interdict them. Beneficial laws are rarely violated, and the violation of them is always disreputable ; but laws of an opposite character are everywhere violated systematically, and the violation of them is hardly disreputable. Men will endeavor to circumvent unjust restraints ; hence, in the year 1816, another attempt to smuggle through the Legislature a bank charter, was again successful in an act to incorporate an insurance company, though it was met by a new restraining law on the 21st of April, 1818, which, under very penal enactments, stopped the newly-discovered leak in the existing prohibitions. The above examples show the demoralizing effect of legislative attempts to restrain men unnecessarily from promoting their own interests. The rape perpetrated on the Sabine women by the Romans, was more a sin of the Sabines, who refused their daughters in marriage to the Romans, than of the Romans, who were destitute of women. In a recent publication of Carlyle, he reprobates legislation that is counter to the laws of God, and he probably alludes to legislation like the foregoing, which unnecessarily conflicts with the fruition of man's natural aspirations.

§ 4. THE CONSTITUTION OF 1777 SUPERSEDED BY THE CONSTITUTION OF 1821.—When our State adopted a new Constitution in 1821, corporations were for the first time

recognized as one of the great interests which the organic law should regulate. The legislation which we have described had long caused corporations to be deemed odious monopolies, and partisan agitators designated bankers as "rag barons," and manufacturers as "cotton lords." The new Constitution, in attempting to remedy the existing evil, prohibited the creation of any new corporation, except by the affirmative vote of two-thirds of the members elected to each branch of the Legislature. This alteration was either a political blunder of men who wished to remedy an existing evil without knowing how, or it was a stratagem of interested men to perpetuate existing monopolies, by rendering the creation almost hopeless of competing new institutions. But contrary to every reasonable expectation, the restraints imposed by the new Constitution facilitated the creation of corporations, by reason that a negative vote came to be deemed a harsh exercise of an unreasonable power, while an affirmative vote came to be deemed a common courtesy, which every member of the Legislature ought to grant to a fellow-member, whose constituents desired to participate in corporate privileges. So numerous, by these means, became banking corporations, that except in some few inland localities, no pecuniary interest existed to resist the further creation of those institutions. Hence, in the year 1838, a law was enacted by which banks could be instituted by voluntary associations, under prescribed general forms and regulations. The Legislature was unable to accord to the associations a complete corporate organization, by reason that the Constitution had been construed as prohibiting the creation of more than a single corporation in any one bill. The associations are, however, essentially corporations, though not endued with the usually prescribed machinery of a

corporate seal, a board of directors, and a right to sue and be sued, under a corporate name, and without the usually prescribed limitation to the number of the directors, the duration of their office, and the mode of their election. The associations have remedied such of these omissions as are remediable; but some of the associations have adopted few directors, and some many. Some are governed by directors, who are chosen annually, while others are governed by directors who are never elected by the stockholders, but continue in the office for life, with a power in the survivors of the board to supply all vacancies that may happen therein by death or resignation. Such an organization seems almost irreconcilable with honest intentions on the part of the originators, and is certainly capable of great perversion against stockholders, who happen not to be directors; but we have heard of no fraudulent result, a fact which shows remarkably that the absence of dishonest practices depends but little on legislative precautions, and that honest practices depend as little on legislative furtherance.

§ 5. THE CONSTITUTION OF 1846.—Thus existed corporate agency, and banking corporations in particular, when the Constitution of 1821 was superseded, in 1846, by our present Constitution. The old argument, that corporations could not sustain unrestricted competition, had been disproved by eight years of prosperous experience in banking, under the above system of voluntary associations, and of several laws for the creation, at will, in 1811, of manufacturing corporations; in 1813, of religious corporations, medical corporations, and colleges; and, as early as in 1796, of corporate libraries; besides the daily experience, in his private concerns, of every man, that “competition is the life of business,”—not its death. The Convention that formed

the Constitution of 1846, became, therefore, intent on removing from corporate agency its monopoly character, which was so generally odious as to excite, at one time, an ill-directed zeal for the disallowment of any corporate grants, no other remedy for the monopoly evil being apparent. But the new Constitution devised a better remedy. It retained corporate agency as an allowable and valuable facility of social progress, but removed its monopoly feature, by permitting, under general laws, every person to obtain a corporate organization who desired the facility, and by interdicting only special grants of corporate powers. And thus was consummated the greatest triumph that our American experiment of equal rights has ever achieved in practical results. And when we reflect that this triumph was not achieved till sixty years after the theoretic legal equality of our citizens had been a fundamental axiom of our Government, we can see how slowly the human intellect comprehends new truths, and how long men bear patiently, and almost unconsciously, accustomed abuses. We can see, also, the fallacy of the belief that property is not strong enough to protect itself against numerical personal preponderance, when it was able, from 1777 to 1846, to engross for itself in our State, privileges that could always have been advantageously shared in common by all persons. Unfortunately, however, the makers of the Constitution of 1846 were not wholly untrammelled from old prejudices, or, perhaps, from sinister influences: for, to the above prohibition against special privileges, they added an exception in favor of cases, "where, in the judgment of the Legislature, the objects of the corporation cannot be obtained under general laws"—an exception which enabled the timid, and the interested, to still make a logical fight to shield, under various pretents, some few remaining objects

of corporate enterprise; as, for instance, the business of insurance, till the winter of 1849; of rail-roads, till the winter of 1850; of savings-banks that are not yet extricated from the grasp of special philanthropists, the care of the poor not being so wholly destitute of resulting private gains as it would seem to be. But as the reserved branches are annually diminishing in number, by reason of the pressure from without the Legislature, and the progress of intelligence within, we may well felicitate the world on the hopeful prospect, that after a few more struggles against both the letter and the spirit of our new Constitution, special acts of incorporation will be wholly discontinued in the great exemplar State of New-York. When any man shall find that no general law is adapted to his wants, he will be compelled to obtain some salutary enlargement of an existing general law, or the enactment of some new general law, to suit all class of cases like his own, and thus each man's interest will tend to the promotion of the interests of all men similarly situated; and all our citizens will enjoy the legal facilities to enterprise that are accorded to any citizen—an extent of privilege never before enjoyed by any people. Then, also, the time of our law-makers will no longer be dissipated in private legislation, and the morals of our senators and assemblymen no longer be subjected to the corrupting influences of private solicitation, for the consummation of personal advantages.

ADVANTAGES AND DISADVANTAGES OF PRIVATE  
CORPORATIONS.\*

## P A R T I.

## THEIR ADVANTAGES.

AN absence of great wealth was common to the inhabitants of the United States at the commencement of our national Independence, and such a condition of society came soon to be deemed preservative of our republican institutions; hence a mediocrity of property among our citizens was early promoted in the State of New-York by an abolishment of entailments, a suppression of the English rights of primogeniture, and of protracted fiduciary accumulations. By the operation of these preventives our State would have possessed few large manufacturing establishments, and accomplished little in banking, insurance, and railroads, had not the absence of great capitalists been remedied by corporate associations, which aggregate the resources of many persons, and thereby yield us the advantages of great capitals without the supposed disadvantages of great private fortunes. Corporations are, therefore, the rose of wealth without its supposed thorn; artificial pecuniary giants, without the dangers that might be consequent to the existence of natural giants.

## THEY ARE NOT NECESSARILY MONOPOLIES.

Corporations are occasionally permitted to engross some business, to the exclusion of natural persons; as till recently in our State, the business of banking, and as formerly in

\* Published in December, 1850.

England, the trade to China by the East India Company. Such a monopoly by corporations is only one of the perversions to which corporate agency is liable, and must be carefully separated from characteristics that are essential to corporations, or we may become unjustly prejudiced against them. Nor must we estimate corporations invidiously by reason that the Legislature endues them with powers that are denied to natural persons ; as, for instance, the power to obtain lands compulsorily for turnpike, plank, and rail roads. The denial of such a power to natural persons is not essential to corporations, but is founded on views of public policy, for whose correctness or incorrectness corporations are not properly responsible.

CORPORATIONS REMEDY SOME DEFECTS THAT ARE INSEPARABLE  
FROM NATURAL PERSONS.

Unlike natural persons, corporations can be endued by the Legislature with an immunity from death, commensurate with the business the corporation is designed to undertake ; hence it can safely contract for the payment of perpetual annuities, and the execution of protracted trusts. Its body is exempt also from change of residence ; and its youth and vigor are perpetuated by a succession of fresh managers, as the old become wearied, infirm, or disaffected ; while its funds can neither be legally diverted from its business by caprice, nor withdrawn by personal necessities, nor squandered by the enticements of personal appetites.

SOME CORPORATE PRIVILEGES ARE COMMUNICABLE TO NATURAL  
PERSONS.

Several years ago our State enabled any person to form a commercial co-partnership, and to limit his liability therein to a sum prescribed by himself. Such a co-

partnership assimilated, in its limited liability, to one of the great advantages possessed by corporations. The Legislature of 1849 effected two other important assimilations of natural persons to corporations. It enabled every voluntary joint stock association, when composed of seven or more persons, to sue and be sued in the name of its president or treasurer; and that the suit shall not abate by the removal from office, or death of the officers, or any of the associates. The general banking law, and the general laws for the formation of manufacturing establishments, insurance companies, plank, turnpike, and rail roads, go far, also, to enable any natural person to transact business for himself under a corporate organization. Our law-makers should consider whether natural persons cannot be further intrusted with corporate powers; for such a levelling up of natural persons to the privilege of corporations is a more enlightened liberality than to level down corporations to the disadvantages of a natural person; a tendency which seems to exist among our law-makers; as, for instance, the increasing but paralyzing practice of making corporators personally responsible for the debts of the corporations.

SOCIAL PROGRESS IS TRANSFERRED BY CORPORATIONS FROM THE  
TIMID TO THE BOLD, AND FROM THE FEW TO THE MANY.

The discovery of America was delayed till Columbus could induce some sovereign to equip an expedition; and when England desired a canal, only some Duke of Bridgewater could undertake it; but by the aggregating process of corporations, the greatest enterprises are within the capacity of any man who can inspire his fellow-men with confidence in his project; and thus corporations transfer social progress from the rich, who are always comparatively few in number, to the relatively poor, who are numerous.

Nor is this all. Men's timidity and lack of enterprise are naturally great in proportion to the largeness of their property, while men are usually bold and enterprising in proportion to their lack of wealth; hence corporations, in transferring social progress from the rich to the relatively poor, transfer it from the timid to the bold, as well as from the few to the many.

MEN RELY TOO MUCH ON GOVERNMENTS, AND TOO LITTLE ON  
INDIVIDUAL EFFICIENCY.

Only a few years ago Professor Morse deemed the construction of an extensive electric telegraph impracticable, except by the General Government. Fortunately the Government repelled him, as it had repelled De Witt Clinton, when he supposed the Erie Canal could not be built without aid from the National Treasury; and to these refusals we owe the numerous telegraphs with which private corporations are pervading our country, and the numerous canals with which the States have enriched their respective sovereignties,—improvements greatly more extensive than the General Government could have accomplished had it been ever so willing. Disadvantageous agencies, like the United States in the above instances, seem naturally obdurate in a degree proportioned to their unfitness; and thus Providence drives mankind to the adoption of advantageous agencies. Without such a Providence every man's aspirations would terminate in calls on some Hercules, instead of eliciting an energetic exercise of his own powers. But we evolve principles practically long before we see them speculatively, or we should not persevere as we do in a reliance on the General Government for what we technically term internal improvements, and which, except for such a reliance, would speedily be accomplished, to every profitable

extent, by our States individually or their people. The reliance of colonies on the mother country is the principal reason why colonies (the Canadas, for instance,) contrast disadvantageously in social progress with the States of our Union, and why our States increased rapidly in power after their separation from Great Britain.

PRIVATE ENTERPRISE IS MORE EFFICIENT THAN GOVERNMENTAL  
ENTERPRISE.

What is said above of a nation and its colonies, is true of a State and its inhabitants. Such of our States, for instance, as relied, like Michigan and Pennsylvania, on State agency for the construction of railroads, became insolvent, and were unable to complete their undertakings; while the States, like New-York and Massachusetts, which constructed railroads by private corporations, completed more railroads than the former States even contemplated. A recent American writer contrasts Massachusetts with Belgium in railway enterprises: Massachusetts, with less than a million of inhabitants, having completed more than a thousand miles of railroad, while Belgium, "the ancient centre of commerce and arts," with four millions of inhabitants, has completed not quite four hundred miles of railroad. The writer endeavors to enhance the contrast in favor of Massachusetts, by stating that its railroads were constructed by the private enterprise of its citizens, while Belgium constructed hers with her public credit and revenue as a sovereign State. This circumstance, however, when well considered, destroys the contrast between Massachusetts and Belgium as sovereign States, and contrasts more truly the efficiency of private enterprise over the efficiency of governmental enterprise. The history of New-York yields another corroboration of the superiority

of private enterprise over governmental efforts ; for, while New-York, some few years since, suspended the enlargement of her Erie Canal, as an effort too large for her State resources, the inhabitants of the City of New-York (an integral fraction of the people of the State), prosecuted successfully their Croton Water Works, at an expenditure greater than the amount which arrested the State works on the canal. Such results seem paradoxical ; but they proceed from a great practical truth, that the efficiency of the inhabitants of any country is the efficiency of one person multiplied by the whole number of the inhabitants, while the efficiency of the Government is only some trifling per centage of the general efficiency. The whole revenue, for instance, of the United States Government, including money borrowed to pay preëxisting debts, is not more than from a dollar and fifty cents the year for each inhabitant, to two dollars and fifty cents ; a sum not equal, probably, to what the inhabitants expend annually in shoes alone, or some other trifling article of general convenience or luxury. A great delusion exists in a man's mode of estimating the resources of a government. He estimates them by a contrast with his own resources, hence their apparent magnitude ; but they will always be found small if contrasted with the resources of all the inhabitants of the nation. So a mountain seems huge when it greatly exceeds in size some neighboring hill, but, when contrasted with the surface of the whole earth, the greatest mountain is too small to be described on any ordinary artificial globe by any sensible prominence. In combating the famine that recently ravaged Ireland, all the governmental resources of Great Britain were found to be impotent—no amount of wealth being adequate to feed the poor of a nation, but the resources of the millions who are to be fed,

poor as they individually are at any given moment. During the late war with Mexico, our National Government, by means of a great effort, transported to California a regiment of soldiers, with their arms, food, and clothing. Contrast this with what a comparatively few of our citizens have since accomplished personally in the same remote region, and you will realize the smallness of governmental efficiency, in contrast with the personal efficiency of its subjects. Wise, therefore, is the policy which, by means of private incorporations, enables individuals to combine their resources, and thus to extend the sphere of personal efficiency—the great reservoir of all efficiency. We carry the policy so much further than other countries, that it may be termed an American principle. The creation in other countries of corporations is doled out as governmental favors, while we make it dependent on personal volition.

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## PART II.

### THE DISADVANTAGES OF PRIVATE CORPORATIONS.

#### THE ANTAGONISM BETWEEN A CORPORATION AND ITS MANAGERS.

When a manufactory or bank is managed by its owner, self-interest, which is the most conservative instinct of human nature, is a guarantee that the management will promote the institution's pecuniary productiveness and permanent prosperity; but a corporation being an artificial person, can act only through agents, whose self-interest is almost a guarantee that the corporation will be subordinated to their private interests. This natural antagonism between the interest of a corporation and the interest of

its managers, constitutes the most inveterate danger that attends corporations. They are like cheese entrusted to the care of rats and mice—well instructed in honesty and honor, we may admit, and well reputed, but still rats and mice, with “a law in their members that is at war with the law of their minds.” The managers, who are practicing deeply such an antagonism, own usually as little as they decently can of the corporate shares; to the surprise often of the public, after the victimized institution is found to be insolvent, and its secrets become revealed.

#### THE EFFECT OF THE ANTAGONISM ON OUR MANUFACTURING ESTABLISHMENTS.

The above antagonism is disadvantageous to manufacturing in our country, in contrast with manufacturing in England, where the managers are the owners. The difficulty is almost too radical to be surmounted by any amount of protective tariff, the gains accruing from a high tariff being almost always nullified by increased salaries of managers, and prodigal absorptions in other shapes; hence, during our lowest protective tariffs, manufacturing corporations become insolvent not more frequently than under our highest tariffs—the low tariffs being remedied by diminished salaries and increased general economy, as the high tariffs are neutralized by opposite consequences.

#### THE ANTAGONISM PROMOTES THE CREATION OF CORPORATIONS.

Still, to the foregoing source of evil we are indebted for most of the corporations, railroads and others, whose benefits we are enjoying; for, if the regular earnings of a corporation constituted all the benefit that was expected from it, and the earnings were to be divided among the stockholders ratably to each stockholder's ownership of the capital, a

person would rarely assume the labor of originating a corporation, and of stimulating other persons to become incorporators. Usually the originators take as little of the stock as is compatible with the procurement of other stockholders, and with the procurement by the originators of such a position in the management of the corporation as they desire to possess. Nor are such expectant beneficiaries of every newly projected corporation few in number—bankers are enticed to become stockholders by the promise of deposits; lawyers, by the promise of fees; merchants want commissions and contracts; men out of employ want salaries, and land-owners want to sell, at a good price, a location for the contemplated new establishment. Some stock is also taken irrespective of any pecuniary gain to be derived directly from the corporation, but to promote incidentally the business prosperity of a neighborhood, village, or city. A large portion of the stock of every new corporation is thus billeted on persons of all the foregoing descriptions, and is readily taken by them; just as commissioned officers are always readily obtained for any contemplated new regiment of soldiers. But to obtain the rank and file, who are to receive nothing but single rations, small pay, and plenty of danger, requires in the army and in corporations the drum and fife of wary and active recruiting serjeants.

#### THE CONTROL OVER THE MANAGERS BY THE CORPORATOR.

Usually a corporation consists of too many corporators to be managed by them personally, except by their voting annually in the choice of directors; but the efficiency of this control by the stockholder is more theoretical than practical. In some cases a single stockholder owns a majority of all the votes in a corporation, and thereby pos-

sesses a legal right to perpetuate his control over it, with all the pecuniary incidents resulting therefrom. The early corporations of our State attempted to guard against the dangers of so alarming a power, by according to large stockholders a smaller ratio of elective efficiency than was accorded to smaller stockholders; but the guard is abandoned in modern corporations, from indifference to the consequences on the part of legislatures, or from an opinion that every guard can be easily evaded, and that stockholders had better be presented with a known evil, than deluded with a fallacious remedy.

ANNUAL ELECTIONS ARE USUALLY BUT AN EMPTY CEREMONY.

But when a corporation is exempt from the influence of unwholesomely preponderant stockholders, the corporators are strangers to each other, and live far apart. Some, also, are women, some infants, and not a few are superannuated rich men, who desire relief from the management of their property. Much of the stock is held also in sums too small to excite in the owners great solicitude about its management; and should solicitude become excited, the stockholder will sell his stock to a more confiding person, and at a low price if necessary, as the best practical mode in which he can escape apprehended danger; especially after the first election, when the reigning directors are become banded together to perpetuate their own control, and some leader among them (the imperium in imperio), who is virtually the corporation (as Napoleon said he was France), has carefully gathered up proxies, under the facility of knowing the residence of every stockholder, and being officially in correspondence with him. So impotent, then, become outside stockholders, that an annual election for directors is but an empty ceremony, except occasion-

ally, when a reigning board happens to split into rival fragments, and then a private stockholder finds himself unexpectedly of some consequence, and is solicited to exercise, what is often only the barren option of deciding between two factions, who are, more or less, warring for his spoliation.

#### THE INEFFICACY OF ALL EXISTING LEGISLATIVE REMEDIES.

The board's entire practical independence of the stockholders our Legislature has attempted to remedy, by enacting that every corporation shall, when required, exhibit to any stockholder the names of his corporate associates, and the number of shares owned by each. Three persons who are not directors or officers, must also be inspectors of every election; and every voter may be compelled to deny on oath some practices which have occasionally been employed to unduly control elections. But, alas! law makers are not more cunning than law breakers; hence the wit of man can devise no safeguard which the wit of man cannot circumvent; and the above, with other existing legal provisions of the same purport, are as effective in securing directors from displacement, as in aiding the elective control of the stockholders. Directors have, accordingly, been as secure in their seats since the above enactments as they were previously, and quite too secure to enable any stockholder to be elected a director, except by the agency of the existing board.

#### A NEW REMEDY PROPOSED.

In our political elections, the poll is brought almost to the door of every voter, yet hundreds of voters are too listless to step across the threshold and deposit a vote. How little, then, need we expect that corporators will vote where only one poll is opened, and that may be several

hundred miles distant. The power to vote by proxy enures, as we have shown above, more to the perpetuation of an existing board of directors than to its insecurity. To assimilate corporate elections to civil, by numerous polls and personal attendance, is a remedy too complex for practice; but no reason exists why the ownership of a given amount of stock, say a twelfth part of the whole corporate capital, should not constitute the owner a director; nor why several stockholders, who together own a twelfth part of the whole, should not possess the power to unite and designate some person to be a director—just as our State is divided into single Assembly districts, and not the whole Legislature chosen by a general ticket. These remedies would add greatly to the power of stockholders, and hence should be desired by all honestly disposed directors; for, “if he who standeth would take heed lest he fall,” he can in no way so efficiently strengthen his integrity as by diminishing the chances of concealing his indirections.

THE KIND OF CORPORATIONS MOST PROFITABLE TO STOCKHOLDERS ARE THOSE WHICH CAN BE LEAST PROFITABLE TO MANAGERS.

The dangers which are thus inherent in every corporation exhibit themselves practically, with different degrees of virulence, in different kinds of business. Among vegetables, every species of plant is the prey of some peculiar race of insects; so every species of corporation may supply facilities for some peculiar depredation. We happen not to be conversant with the mysteries of any corporations but banking; hence, leaving the specific diseases of other corporations to be described and treated by persons possessed of the requisite information, we shall close this article, and take an early opportunity to direct to banks what we have

further to say on the defects of corporations. Banking is, however, among the most simple uses to which corporate agency is applied,<sup>1</sup> and hence, probably, among the most generally successful ; for, usually, every species of corporation is pecuniarily profitable to the stockholders in a degree inverse to the extent in which its interests can be decently subordinated to the interests of its managers. This is the reason why railroad corporations are injured instead of being benefited by manufacturing their own cars and locomotive engines. Every such attempt is encumbered by the antagonistic interests of the corporate agents who conduct the manufacturing operations and procure the materials, while the profits and savings are hardly ever large enough to counterbalance these attendant disadvantages.

Finally; the gloomy view thus taken of corporations would seem sufficient, if generally believed, to deter every prudent man from hazarding his capital in corporate enterprises, when he possesses no motive thereto but to obtain a lucrative investment of his capital. Fortunately, however, for social progress, corporations are occasionally lucrative enough to sustain all the antagonistic disadvantages of corporate mismanagement, and to leave a sufficient overplus to abundantly gratify, and sometimes enrich, even the rank and file stockholders. Such instances of exuberant gains in corporations, are like instances of great longevity in the life of man. They are frequent enough to encourage all men to hope ; hence, new corporations obtain stockholders ; but such instances are not frequent enough to prevent fear—hence, stockholders in any corporation are rarely obtained without effort.

## THE DUTIES, OMISSIONS, AND MISDOINGS OF BANK DIRECTORS.

## THE DUTIES OF BANK DIRECTORS.

IN the year 1829, the State of New-York, to protect the public against bank insolvencies, originated the Safety Fund System of banking, by which every bank subject thereto, was compelled to pay, annually, into the State Treasury, the half of one per cent. on its capital, till the payments should amount to three per cent. thereon ; payments were then to be intermitted, till the fund should become exhausted by losses, when a further three per cent. was to be collected by processes similar to the first. Soon after the year 1836, several Safety Fund banks became insolvent, absorbing, by means of various frauds, not only the existing collections of the Safety Fund, but all the annual payments that would be made by solvent banks during the limit of their corporate existence.

Influenced by this sad aspect of an experiment which had lived down its original many enemies, the State, in the year 1838, discontinued the further creation of Safety Fund bank charters, and originated what are called Free Banks : voluntary associations, whose bank-notes are secured by pledges to the State of certain governmental stocks, (State and National,) or by such stocks, and by mortgages on unincumbered real estate, in equal parts each. Our purpose includes not the comparative merits of these systems, or the positive merit of either. So far as the banks of both systems are managed by directors, they will be within the purview of our remarks ; but the Safety Fund banks are subjected by their charters to a Board of twelve or thirteen directors, while the Free Banks may adopt any number, or

any other mode of government which the proprietors shall prefer ; hence the proprietors, in some cases, constitute a Democracy, governing personally, and to such the following treatise will be inapplicable:—

A DIRECTOR SHOULD POSSESS A GOOD THEORY OF CONDUCT.

Bank directors usually commence their duties with honest intentions towards their stockholders and the public. The misconduct which may supervene, will proceed from temptations incident to their office, and perhaps from the absence of well digested notions of the conduct that is proper. Some years ago, a person was asked whether he would accept the office of director, then vacant in a bank of his city. After deliberating, he replied, that as the office might result in some benefit to him, he would accept. When the answer was reported to the Board, who was to fill the vacancy, they refused to appoint him, lest he should sit at the Board mousing to catch something beneficial to himself, while they wanted a director who would accept office to benefit the bank. A man ought to watch his own interest, when conducting his own affairs, but when he is acting officially, he should lose himself in his public duties. We expect a soldier to sacrifice his life, if necessary, to the discharge of his duty ; and we should condemn him for professing a less self-denying creed, how much soever our knowledge of human fallibility might induce us to pardon his short-comings, when death should obstruct his path. Fortunately, the performance of bank duties will peril only some forbearance from pecuniary acquisitions, and our creed ought to be self-denying enough to renounce these, instead of avowing them to be the motive of our services ; nor is the principle new. The law will not permit a trustee to derive any indirect benefit from his trust, or any judge

or juror to decide in his own controversies ; and the State of New-York has, in its Constitution, consecrated the principle by prohibiting our legislators from regulating their own compensation, or even the number of days which shall be occupied in legislative duties. In some cities, also, no civic officer can become legally interested in any municipal contract ; and who censures not some recent high officers of our National Government, for participating in a private claim which they officially aided to adjust and pay ? Thus thinking, the President of a large railroad corporation of our State refused to supply iron for his road, though his associate Directors, with the complaisance which is as vicious as it is common, offered him the contract. In his case, no contractor could have been more eligible, but the rejecter established a precedent that is more profitable for his corporation than the money it would have saved in purchasing the iron of him.

DIRECT COMPENSATION TO THE DIRECTORS IS PURER THAN  
INDIRECT.

The remuneration of bank directors consists, with us, in an indefinite claim for bank loans, and which claim led formerly to so great an absorption of the country banks, whose capitals are small, that a law was enacted interdicting bank directors\* from engrossing, directly or indirectly, more than a third part of the capital of their respective banks ; a quota which is, in some banks, divided equally among the directors, irrespective of any business merits of the borrower. This mode of compensation, when founded on ample security for the borrowed money, may, in small

\* This law, like most other legal regulations of bank directors, was made before the existence of banking associations ; hence the directors of such associations are not included therein.

banks, constitute a less objectionable mode of remunerating directors than any other indirect mode, or than most other direct modes. The Legislature, however, seems to have contemplated that the motive for accepting a directorship shall consist in being a stockholder, and thereby a participant in the general profits of the bank. We infer this from the requirements of law, that the director of every bank shall own at least five hundred dollars of its capital; divesting himself of which causes a forfeiture of his office. No mode of compensation is so pure as what proceeds thus from a ratable interest in the common loss and gains of a bank; and should a negation of other compensation deter small stockholders from accepting a bank directorship, large stockholders could be substituted, and banks would thereby become assimilated to private institutions that are managed by their owners—the most efficient and honest of all management. A man may, however, properly refuse the office of bank director, unless he can obtain for his services a satisfactory pecuniary compensation; and banks must comply with such a requirement, if suitable men are not otherwise obtainable; but such a contingency promises to be remote, under the avidity for accidental distinctions by our citizens, consequent, probably, on their legal equality. But when such a contingency shall occur, a direct compensation will generally be purer than any indirect, and a definite compensation cheaper than an indefinite; and usually money is the most economical mode of paying for services that are not to be deemed honorary.

NO DIRECTOR SHOULD ASSUME ANTAGONISTIC DUTIES.

The law usually regards bank directors as an entirety under the title of a Board. The duties and powers which are conferred on the Board by the charters of Safety

Fund Banks, may be classed as legislative, supervisory, and appointing. The legislative power consists in creating such offices as the business of the bank shall render necessary, regulating their duties and salaries; directing the modes in which the bank shall be conducted, and generally all that pertains to the management of the stock, property, and effects of the Corporation. The appointing power consists in selecting proper incumbents for the created offices; while the supervisory power is indicated by all the foregoing, and by the ability to dismiss the appointees at pleasure. But a man cannot properly supervise himself in the performance of public services, nor limit and regulate their extent, nor fix his compensation therefor; hence the powers of the Board can be exercised efficiently only on persons who are not members thereof. Nor is the inexpediency of uniting in the same person the duties of grantor and grantee, master and servant, agent and principal, a contrivance of man; it proceeds from his organization. No person can sit at a Board of Directors without observing that agents who are not directors, are supervised more freely than agents who are directors. A practical admission of this is evinced by some discount boards, who, in deciding on paper offered by directors, vote by a species of ballot, while in other boards, the offered notes are passed under the table, from seat to seat; and a note is deemed rejected, if, in its transit, some director has secretly folded down one of its corners. Had the United States Bank been supervised by a board disconnected from executive duties, it would not have permitted its chief officer to persevere in the measures which ultimately ruined the Corporation, though its capital was thirty-five millions of dollars. Even the separation of a Legislature into two chambers, checks the *esprit du corps* and pride of opinion, which would urge

one chamber into extremes, with no means of extrication from a false position. A separation operates like the break of continuity in an electric telegraph, arresting a common sympathy, passion, or prejudice, which, in a single chamber, rushes irresistibly to its object. Still, in many banks, (the Bank of England included,) the President (entitled Governor, in the Bank of England) is the chief executive officer, as well as head of the legislative department. The Bank of England is, however, controlled by twenty-four directors, the largeness of which number naturally mitigates the influence of the members individually, and hence diminishes ratably the objection against its executive organization. Such an organization may operate well where the Board consists of a small number of members, yet the good is not a consequence of the organization, but in despite thereof; for whatever weakens the power of supervision, must diminish its benefits. The joint stock banks of England are all controlled by officers called Managers, and who are not members of the Board, though they sit thereat *ex officio*, for mutual explanation and instruction.

THE EXECUTIVE SHOULD BE SINGLE, NOT MULTIFORM.

That the Board should legislate, supervise, and appoint, but not execute, occasioned, probably, the exclusion from the directorship, that early prevailed and widely continues, of the person who occupies the office of cashier, and who, with us, was once almost universally the chief executive bank officer. But the executive power, however located, should centre in only one person; a divided responsibility creating necessarily a divided vigilance. Thirteen men acting as an executive will not produce the vigilance of one man multiplied by thirteen: but rather the vigilance of one man divided by thirteen. The inspection of a picture

by ten thousand promiscuous men will not detect as many imperfections in it as the scrutiny of one person, intent on discovering to the extent of his utmost vigilance ; hence large assemblies refer every investigation to a small committee, the chairman of which is expected to assume the responsibility of the examination, while the other members are more supervisors than actors. Here again, as in most other modes which business assumes, by chance apparently, our organization dictates the mode. When, therefore, we want an army of the highest efficiency, we possess no alternative but to entrust it to a single commander-in-chief ; and if we want a bank of the highest efficiency as respects safety and productiveness, we must entrust it to a single executive, under any title we please, but to one man, who will make the bank the focus of his aspirations, and know that on his prudence and success will depend the character he most affects, and the duration of his office, with all its valued associations and consequences.

#### APPOINTMENT OF THE EXECUTIVE.

If the proposed organization is the best that can be devised for a bank, the magnitude of power to be delegated is no proper argument against its delegation, but only a motive of prudence in selecting the delegate. A man of known skill and established fidelity is not always procurable for the proposed duties, especially by small banks that cannot render available a breach of the Tenth Commandment, by enticing from his post the skillful officer of some other Board. But, providentially, the world is not so dependent on a few eminent men, as their self-love and our idolatry may believe. Every well organized person possesses an aptitude to grow to the stature of the station in which circumstances may place him ; and some of the most successful bankers of our

State acquired their skill after they became bankers. The like principle is discoverable in all occupations, the highest not excepted. Few of our judges, generals, diplomatists, legislators, or civil executives, were accomplished in their vocation before they became invested therewith. Skill is consequent to station and its excitement, though a vulgar error expects (what is impossible) that official dexterity and competence should be possessed in advance.

#### THE POWER TO BE GRANTED TO THE EXECUTIVE.

On the chief executive should be devolved the responsibility of providing funds to meet the exigencies of the bank ; hence he is entitled to dictate whether loans shall be granted or withheld, and the length of credit that shall be accorded to the borrowers respectively. With him rests also a knowledge of the banking value of each customer ; he should therefore be permitted to select from applicants the persons to whom alone loans shall be granted. The responsibility should also be cast on him of making the bank pecuniarily profitable to the stockholder ; hence he will be stimulated to obtain good accounts, and extend business to the utmost capacity that his judgment will justify. On his untiring vigilance should be reposed the safety of the capital ; hence no loans should be granted with whose security he is dissatisfied, nor any except those with which he is satisfied—even the improper negation of a loan being usually a small evil to the bank, how important soever it may be to the proposer. The Bank of England, with a capital of about (including surplus) \$90,000,000, entrusts the loaning thereof to the Governor alone. He has under him a sub-governor, selected from the directors, while an executive committee, designated by the board, may be consulted by him ; but the committee employs itself in digesting matter

for the action of the court of directors, rather than in clogging the proceedings and diminishing the discretion of the Governor. All the joint-stock banks of England are organized with a like self-depending executive, under the name of General Manager; and a bank organized thus to grant loans at all times during its business hours, will present a great inducement to customers over a bank whose discounts are accorded at only stated days, and after a protracted deliberation by directors—loans being often useful only when obtained promptly. Even the due protesting of dishonored paper, and notifying of endorsers—the enforcement of payment, or the obtainment of security on debts which prove to be unsafe, will all wholesomely fall under the control of the chief executive, by reason that the vigilance of one person can control them better than a divided vigilance; and that the debts having come into the bank by his agency, his self-love is interested in their collectability. He must feel a like responsibility against losses by forgery, over-drawn accounts, the depredation of burglars, and the peculation of subalterns. To secure, in the highest degree, his vigilance in these particulars, he should be entrusted with the selection of all subordinate agents, even of the notary and attorneys. At least none should be appointed or retained with whom he is not satisfied. His self-respect cannot be too much fostered by the Board, and no measure should be enforced, and no loans granted, which can wound his sensibility, or diminish his influence with his subordinates or the customers of the bank. The more he can thus be brought to identify himself with the bank, the more the bank will be exempt from the disadvantages which make corporations contrast unfavorably with private establishments; and which a proverb alludes to in saying that “what is everybody’s business is nobody’s.” So great is the

assimilation to their bank which some managers attain, that a poignancy of solicitude in relation to the debts of the bank, the preservation of its credit, and the productiveness of its capital, becomes the greatest evil of their position; especially when they are predisposed to morbid nervousness, which, with disease of the heart, their position induces and fosters. Such a man will obtain from his Board all the information it can yield in relation to the pecuniary responsibility of his dealers; and the directors should give him their opinion—not mandatory, which would relieve his responsibility, but to inform his judgment; though he will soon discover that his only safe guide will consist of his feelings, founded on personal observations often too subtle to be described, much less enumerated.

#### HIS SALARY.

His salary should be liberal, for nature will not otherwise produce the activity of mind and body that is essential to his duties. Besides, he must engage in no private business, and will possess neither leisure nor taste to attend minutely to his domestic expenses. No salary can equal in value the devotion of such an officer; still extravagance is unwise as an example, and unnecessary as a stimulant. The more capable the officer, the more he will appreciate money; and instances are frequent where bank services of the most valuable kind are accorded on salaries that would be deemed unsatisfactorily small by officers whose habits are less suited for the station.

#### THE SUPERVISION OF THE BOARD OVER THE MANAGER.

The duties of a board will rather commence than end with the appointment of its executive. Their proper duties are supervisory. Nature aids the discharge of such duties when the supervisor is distinct from the supervised;

indeed, one of the most difficult tasks of a supervisor consists in restraining the undue captiousness that is natural to the position. The President of the Bank, as head of the corporation, cannot perform too efficiently supervisory duties, and he may well be entitled to a pecuniary compensation therefor. He should deem them under his special charge, but not to supersede therein the modified duties of the other directors. Supervision over the Manager's official proceedings will be as salutary to him as proper to the Board. Darkness is proverbially unfavorable to purity, but only by reason of the concealment it creates; every other means of concealment is equally productive of impurity. A man can easily reconcile to his judgment and conscience what cannot be reconciled to disinterested supervisors; hence, if an officer knows so little of human nature as to deem supervision offensive, he is unfit to be trusted. That the supervision may be full, it must be systematic. Every director will usually attend meetings of the Board, in a degree inverse to their frequency; but twice a week, or certainly once, where the bank is not very small, will be as short as is compatible with a due inspection, singly, of the loans, in some regular order, that may have been granted by the Manager, since the last session of the Board. The directors will thus learn individually, whether the power to make loans has been prudently exercised, and he will learn the opinion which any of the Board may express in relation to the borrowers or their sureties, especially in cities where borrowers are generally known to the Board; and a Manager may advantageously defer to it the consummation of many loans in relation to which his own information is questionable, or about which he desires time to deliberate. Such a deferring will often constitute a less offensive mode of avoiding an objectionable discount, than

a direct and personal refusal; though truly the kindest act a banker can perform, next to granting a loan, is to promptly inform an applicant that he cannot succeed, when the banker knows the loan will not be granted.

#### SUPERVISION IN RELATION TO BUSINESS PRINCIPLES.

The supervision of the Board must be as comprehensive as the powers of the Manager. The revision of loans will enable the Board to ascertain, not merely the solvency of the bank's assets, but whether its business is conducted without partiality, or unwholesome bias of any kind. Nearly every undue partiality possesses concomitants that may lead to its detection—for instance, an unusual laxity of security, or length of credit; with unusual frequency of renewals in a direct form, or an indirect, so as to screen the operations. A manager, properly sensitive of his reputation, and properly diffident of his natural infirmities, will be reluctant to grant loans to his relatives or special friends, and never to himself, or any person with whose business operations he is connected. To enable directors to judge of these particulars, a regular attendance at the stated meetings is necessary; but memory alone must not be relied on, except to suggest queries, which should always be capable of solution by proper books and indexes, that must be within reach of the directors, who should habitually inspect the books, that the practice may, in no case, seem an invidious peculiarity. In all scrutinies, however, the directors should remember that in mere judgment and expediency they may differ from the Manager, and he may still be right; for banking constitutes his business, while to them it is an incidental occupation. Lenity is proper even to his undoubted errors, when they are of a nature which experience may correct; but time will only inveter-

ate bad intentions, and their first unequivocal appearance should produce an unrelenting forfeiture of his office.

#### SUPERVISION OVER LIABILITIES AND RESOURCES.

The Board must understand the liabilities of the bank to its depositors, bank-note holders, and other creditors ; also the funds of the bank, and its available resources ; so as to judge how far the honor of the bank is safe in the care of its Manager. The characters of depositors and borrowers are also proper subjects of general scrutiny in the Board, by reason that the reputation of a bank is inferrable from the reputation of its dealers ;—not that disreputable people should be rejected as depositors, but a bank is not an exception to the proverb which speaks of “birds of a feather ;” and when the customers of a bank are generally respectable in their character and business, we may be sure that the management of the bank is at least ostensibly moral and mercantile.

#### SUPERVISION FOUNDED ON RESULTS.

The “ticklers” of a bank are books which show in detail the debts due prospectively to a bank, and the days of payment. The aggregate footing of the ticklers will accordingly exhibit the amount of loans not yet matured, and inductively the amount that is past due. The information which relates to the amount past due is often given reluctantly, but a knowledge of it is vastly important in the proper supervision of the bank ; and when tested by the ticklers, the information cannot well be deceptive, or evaded. In knowing the amount of past-due loans, the Board can pretty accurately conjecture the character of the bank’s customers. Such loans should be satisfactorily explained by the Manager, and the means he is taking in

their collection. The like may be said of over-drafts,\* which are rarely permitted by American bankers, though in England they seem to constitute one of the regular modes of advancing money to customers. Whether they shall be permitted is within the proper discretion of the Board ; and should they occur inadvertently, the occurrence ought to be manifested to the Board. An exemption from losses is impracticable in long-continued operations ; yet all grades of intellect are procurable ; hence the retention of an officer is unwise when his results are unsatisfactory. Every man can adduce excuses which no persons may be able to controvert ; but when miscarriages are frequent or important, the Board should assume that something wrong exists and eludes detection, rather than that nature deviates from her accustomed processes, making vigilance unsafe, and skill unprofitable. The recent " Rochester Knockings," which some people endeavor to unravel, by reason that they deem the noises supernatural, if they cannot be otherwise explained, saner intellects pass without scrutiny, being confident that the inexplicability of the knockings can prove only that the shrewdness of observers is baffled by the artifice of the exhibitors.

#### SUPERVISION AGAINST FRAUDS.

The examination of vaults, and counting of money, rarely reveal defalcations, till the defaulter no longer endeavors to conceal his delinquencies. The counting is not pernicious, if the Board choose to amuse their vigilance therewith ; but we have not attempted to designate modes in which frauds are detectable, the ingenuity of concealment being naturally as great as the ingenuity of detection. Besides, the detection of intestine frauds requires a greater famili-

\* A list of all the credits due to individual depositors will, by its aggregate amount, show inductively the amount of over-drafts.

arity with banking accounts, and a more laborious inspection of bank-books, than can ordinarily be expected of bank directors. For the detection of frauds, therefore, the best practical reliance is a supervision, in the way we have indicated, of the bank's business, and a familiar observation of the general conduct, habits, and expenses of the Manager, as well as of all the subordinate officers ; the latter, however, are more especially within the duties of the Manager. The ruin of a bank by fraud commences usually in the personal embarrassment of the delinquent, contracted by improper self-indulgencies, or the assumption of secret hazards. Men rarely plunder till their conduct is otherwise disorganized, external symptoms of which observant directors may discover. A bank officer, therefore (and the higher his official position the more urgent the rule), who will not keep disengaged from all suretyship, and business that may render him pecuniarily necessitous, is as unfit to be entrusted with a bank, as a nurse who frequents small-pox hospitals is unfit to be trusted with unvaccinated children. In menageries, animals are kept peaceful by preventing the cravings of hunger ; bank executives require a similar assuasive ; not by being glutted with great salaries, but by preserving themselves from expenditures unsuited to their income, and from pecuniary liabilities. A bank Manager of undoubted wealth, presents therein the best attainable guarantee against misconduct, and is entitled to greater freedom of action in his personal transactions, than officers of ordinary circumstances ; still, we will venture the advice, that when a man wants to be much more than a bank Manager, especially when he wants to employ much more than his own funds, he had better cease from occupying a station which he is too ambitious, or too avaricious, to fill, under the restraints which experience show are alone safe.

## CHAPTER III.

### OF SUMPTUARY LEGISLATION.

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#### THE EXCISE LICENSE QUESTION.\*

OUR criminal jurisprudence has long verified the proverb that the law is like a cobweb, which catches small flies but permits large ones to escape. When, however, great rogues elude justice, the defect heretofore has been an evasion of law, but the statute which prohibits licenses, legalizes the principle; for, while five gallons of rum may be sold with impunity, the sale of a gill is an indictable offence. The practical operation of the law is as discriminative as its letter, in favor of conspicuous offenders; for, at all public places of fashionable regalement, where a coarse dram is refused to a laboring man, his luxurious neighbor is unstinted in champagne. And lest such inequalities should not be sufficient, all the inhabitants of New-York City may sin with drink as their appetites shall dictate.

But these defects are to be corrected. The public stomach, like the natural, must be familiarized by degrees to what it naturally abhors; and nothing can better elucidate the extent to which it may thus be familiarized, than the gradual advance of our Temperance reformers from the blandest moral suasion, as their only authorized corrective

\* Published in 1846.

of intemperance, to the coercion by indictment, fine, and imprisonment, with which they have procured themselves to be now armed. These powers will only whet the appetite for more; but Providence, which, doubtless for good ends, has implanted in every man a tyranny that would, by sword and faggot, if permissible, subject the world to his peculiar notions, has implanted in every other man a resistance graduated not simply by the assault, but inveterated by revenge; hence the blood of martyrs has ever been deemed the seed of the Church—a result not predicable of men because they happen to be Christians, but predicable of Christians because they are men. By virtue of this principle, the vote in favor of coercion was scarcely announced last spring, when our streets suddenly exhibited men reeling with intemperance, the restraints of decency giving way in them to the desire of showing a defiance of coercion. Even in China, where coercion can inflict death, and where the coercion is directed against the use of opium, it is defeated by man's inherent sense that every man is his own keeper in what is personal to himself. Persuasion is twice blessed, for it blesses the receiver and the giver; but coercion is twice cursed. Its effect on the coerced may be seen in the above examples, and in the exasperation which has, in many cases, induced tavern-keepers in our lonely highways to refuse a drink of water to the thirsty horses of inoffensive travelers; and in the conversion, even in our own city, of some of our most peaceful inhabitants into indicted litigants of our criminal courts; verifying thus the Scriptures, that oppression will make even wise men mad. The effect on the coercive philanthropists is not less corrupting, for we saw them at the polls brow-beating opponents with all the mad appliances of vulgar partisanship; and we have seen them since, systematizing the

employment of informers, and hunting down heretics with a rancor which, how much soever they may deceive themselves as to their motives, proves that they are proselyting with the spirit of Mahomet.

But were the influences of coercion as assuasive to the coerced as it is exasperating, and as benign to the coercers as it is malignant, the demerits of the process would still condemn it, with all men who would attain good ends by only good means ; and especially by all who love liberty even more than they love temperance. If three men were shipwrecked on an uninhabited island, any two of them who should agree upon the formation of laws, would possess a sufficiency of physical preponderance to devote to their services the labor of the third. That the majority should rule, accords with the theory of our Government, but an exercise of power like the above, all feel would be wrong ; hence to make a law just, something more is necessary than the sanction of a majority ; and if we inquire into the deficiency in the above case we shall find that the majority imposed burdens on the minority, from which the majority were themselves to be exempt ; and thus the voters at our late election, who possessed no inclination for taverns and groceries, voted restraints on men of opposite inclinations. The world is familiar with attempts by majorities to thus extend their control beyond its just limits ; hence the Constitution of our State prohibits a majority from coercing the minority in matters of religious preferences, as formerly in England, where Episcopalians excluded from office all who preferred other forms of worship ; and as once in France, where infidels prohibited preaching and abolished Sabbaths. The prohibition of our Constitution is just, not because it relates to religion, but because in matters merely personal, no aggregate of preferences can rightfully con-

trol men of different preferences. The travelers in a stage coach will often permit the majority to decide whether the coach shall travel all night, or tarry by the way; but any man would feel outraged should the majority decide what he shall be permitted to eat. The Turks deem wine deleterious, and in addition, its use is irreligious; but even Turkish despotism has never prohibited the sale of wine to men of a different faith. The United States Constitution, also, attempts to restrain majorities to matters of general concernment; hence all direct taxes are prohibited, except where the taxes are to be borne by the majority ratably with the minority. In our license restraints, the tax of self-denial is not borne by the majority ratably with the minority; but all the self-denial is borne by the minority. Looking at these constitutional provisions as the elucidation of a principle, may we not infer therefrom, that instead of deeming the restraint of excise licenses justified by the absence of any direct constitutional prohibition against such restraints, we ought to deem the restraints proof conclusive that our new Constitution should prohibit the exercise of such a power. The whole system of excise should be abolished. It is a miserable attempt to extort money by the sale of special privileges. Nay, worse, the privilege is not the purchase of any right, but the purchased redress of a public wrong, the license merely remitting a person into the pursuit of his own happiness in his own chosen way, which is one of the inalienable rights of man, our own Declaration of Independence being the judge. The Bible prohibited the Jews from boiling a kid in its mother's milk. We should imitate this benevolence, and not permit the beneficent majority principle of our Government to be perverted into an instrument of personal oppression. The outcasts, whose depredations on society have consigned them

to our prisons, are hopelessly controlled as to what they shall eat, and what they may drink, and how they may employ the energies with which God has endued them; but imagination can conceive no more perfect liberty than is permitted us by the theory of our Government. Shall we perfect its practice to the extent of the theory, or shall we permit enthusiasts to erect among us a dietetic tyranny? The question is no longer speculative; it must be answered by our actions, and it should be answered understandingly; because, though we may personally care nothing for the restraints of the license law, we ought to care for the preservation of all our liberties.



### THE MAINE LIQUOR LAW.\*

THE capacity of man for self-government is the great experiment which all our States are trying, and its success rests on the ability of every man to govern himself. Would you make a son trustworthy, trust him; would you make him capable of taking care of himself, leave him to make experiments for himself; and what is thus wise in a family is wise in a nation. When we allow every man to vote, we necessarily admit many who exercise the power unskillfully; but all become thereby educated as rulers, and to the influence of universal suffrage, our country, despite the opposition of the exclusively wise, extends to the Pacific Ocean and the Gulf of Mexico, and twenty-seven millions of human beings fill the expanse with railroads, churches, printing presses and happy families.

\* Published in 1854.

So when our States abolished standing armies and an armed police, we necessarily withdrew restraints from unworthy individuals, but we thereby educated law-abiding characteristics in all, till an unarmed constable is become more potent with us than a file of soldiers in countries which rely for good order on physical coercion. In no country is the chastity of women thrown so entirely on their own integrity as with us, and in no other country are the purities of the domestic relations so rarely violated. Let, then, no impatience of any existing evil interfere with self-control which already has advanced temperance from the condition of a suppliant to the potency of a threatening aggressor. We fill our country with schools, academies and colleges, but beyond the worth of all literature is the practical art of self-restraint which can be taught only by the license to choose between good and evil. The inhabitants of France are the best intellectually educated people of Europe ; still so little has their self-control been cultivated, that the freedom of the press is found incompatible with social order, while we, from the effect of habit, continue calm amid personal criminations of a press wholly unrestrained.

Nothing is more instructive than to note the progress of foreigners in the art of self-control, under the influence of our liberty. They are exasperated often in our cities by over-zealous men, who abuse the public highway by preaching opinions that are designedly obnoxious. Citizens accustomed to the annoyance, have learned to discipline their conduct thereto, while newly-arrived emigrants resent the injury by personal violence. One of these preachers has lately been twice imprisoned ; but we had better tolerate the nuisance as a practical discipline in the art of self-control.

Such are some of the principles by which the Maine law question should be judged. No person objects to the punishment of a man for any injury his drunkenness may inflict on others, but objections exist against placing a straight jacket on a sane man in advance of a possible future madness. When a modified Maine law was formerly enacted, drunkenness exhibited itself beyond all precedent, stolen fruit being proverbially sweet, and persecution ever begetting proselytes.

Our State has had several successive Constitutions, and they evince our gradual progress in the science of self-government. Our Constitution of 1846 exceeds all its predecessors in unshackling personal conduct. Men can incorporate themselves to establish banks, insurance companies, railroads, &c., while formerly corporate powers were deemed too dangerous to be entrusted to private volition. Prohibitions are now shifted on to the law-makers. They cannot grant special charters, or pass any law that shall create "offices for the weighing, gauging, measuring, culling or inspecting any merchandise, produce, manufacture, or commodity whatever;" and thus each man must rely for personal protection on cultivating the faculties which God has given him. Even the care of his own soul is for the first time left to his unbiased discretion, no person being any longer punished for infidelity by being "rendered incompetent as a witness on account of his opinions on matters of religious belief."

The Bible says that a man would be injured, should he gain the whole world and lose thereby his soul. Most of us believe this, still no man demands now legislative interference with religious faith. Indeed, we are accustomed to compare, with no little vain glory, our liberty of conscience with the sectarian intolerance of all other nations;

and petitions have been presented to Congress, that our Government should compel foreign countries to give to our citizens abroad the religious privileges they possess at home. If, then, each of us is permitted to jeopard his own soul out of respect to personal freedom, in cases, too, of atheism, deism, and blasphemy, which hazard his eternal reprobation and the involvement therein of his children, we cannot consistently restrain personal freedom where the evils are only the liability of using to excess intoxicating drinks.

We greatly mistake the Maine law question when we look only at its effects on drunkenness. Good and evil are so interwoven, that every liberty must be condemned if tested by the evil which it permits. We mistake it equally when we test it by its effects on hop-growers, grain-growers, cattle-dealers, butchers, shopkeepers, forwarders, teamsters, coopers, real estate, &c. Underlying all these is the greater question of self-government; not one man governing another, but each man governing himself. Even Adam was permitted the liberty of eating the forbidden fruit, for barren indeed would have been his total abstinence had it depended on coercion. The people can express their views explicitly on the subject at the approaching election. The Maine Law is the only practical issue the election is to decide, and let no fog which politicians may raise, cause the Arctic of the day to be obscured and run down.

## CHAPTER IV.

### OF PUBLIC IMPROVEMENTS.

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#### THE ALTERNATIVE OF BORROWING DISADVANTAGEOUSLY, OR SUSPENDING THE PUBLIC WORKS.\*

THE recent Annual Report of the Canal Commissioners shows that the State has expended towards the construction of the Black River Canal and Erie Canal Feeder, \$1,670,097 67.

To complete the said Canal and Feeder requires a further expenditure of \$689,000; which sum the State can obtain if it will sell 5 per cent. stock at 74 cents on the dollar. But this is deemed too low; hence the State proposes to delay the completion of the Canal until stock shall sell for a better price. Let us examine whether the State can gain by such a delay.

Nine hundred and thirty-one thousand and eighty-one dollars of State 5 per cent. stock, if sold at the present market price, 74 cents on the dollar, will bring the sum required to complete the Canal and Feeder, say \$689,000.

If the State shall delay the completion a year, the State will lose by the delay, unless the stock shall advance in price enough to pay the year's interest on \$1,670,097 67 already expended. This calculation is founded on the presumption that the work, when completed and in operation, will earn enough to pay the interest on the cost of its con-

\* Published in 1842.

struction; and that it will earn nothing till it is completed. The year's interest on \$1,670,097 67 at 6 per cent. is \$100,205 86. To cover this, stock must advance in price ten cents seven and a half mills on every dollar; and therefore must sell at the end of the year for  $84\frac{3}{4}$  cents on the dollar, or the delay will be a pecuniary loss to the State.

A like calculation will show, that to avoid loss by a delay of two years, the stock must then bring in market  $95\frac{1}{2}$  cents on the dollar; on a delay of three years it must bring  $106\frac{1}{4}$  cents on the dollar; on a delay of four years it must bring 117 cents on the dollar; and on the delay of five years it must bring  $127\frac{3}{4}$  cents on the dollar. The probability which exists for any of these advances in price, must determine whether the delay is prudent or imprudent.

A like calculation is applicable to the Genesee Valley Canal, on which the State has expended \$3,102,932—leaving unexpended, and necessary to complete the canal, \$1,647,373. To compensate for the postponement, stock must then bring,

One year, .....	81 $\frac{1}{2}$
Two years, .....	89
Three years, .....	96 $\frac{1}{2}$
Four years, .....	104
Five years, .....	111 $\frac{1}{2}$

Towards the enlargement of the Erie Canal, the State has expended \$10,710,781, leaving unexpended, and necessary to complete the enlargement, \$12,692,082. Pursuing towards this undertaking the same reasoning that we applied to the others, the result is as follows: to compensate for a postponement, the stock must then bring in market,

One year, .....	77 $\frac{1}{2}$
Two years, .....	81 $\frac{1}{2}$
Three years, .....	85
Four years, .....	88 $\frac{1}{2}$
Five years, .....	92 $\frac{1}{2}$

These calculations are only approximations towards the truth, being modifiable by several circumstances; as, for instance, 52 miles of the Genesee Valley Canal will be navigable the approaching season, and hence be somewhat productive. And some of the expenditures on the Erie Canal enlargement would have been incurred as repairs, had no enlargement been contemplated. To compensate, however, for these palliatives, no charge is made in the foregoing calculations for interest on the interest money that will be annually paid, and that has been paid. Nor is any charge made for interest on the money that must be paid by the State on outstanding contracts, which amount to \$1,268,062 49, for work not yet performed, but which the State will be compelled in justice to let the contractors perform, or compensate them for if not performed. The work which is already completed, but useless till the whole improvement is finished, will require also an annual expenditure in repairs, or will produce an annual loss in decay; though when the canals are completed we may reasonably suppose that they will earn these expenses, as well as the interest on the money expended in their construction.

But the foregoing calculations, however defective, give prominence to a principle, which has never been very distinctly presented to the public, but which ought to be considered before we make the present low price of State stocks a reason for postponing the completion of our public works; especially as we possess resources for their completion without burthening the people at present with taxation, and probably without ever burthening them or their posterity, unless they shall prefer to be thus burthened; like the customers of a celebrated Boston dentist, who, he affirmed, had their teeth extracted by him for the pleasure of the operation.

## THE ALTERNATIVE OF DEBT OR TAXATION.\*

BEFORE we can decide on the merits of a doctor's prescription, we must ascertain the malady for which he prescribes. This rule is applicable to the recent letter of Albert Gallatin and others, which has just been presented to our State Legislature in reference to our State debts. The signers are gentlemen of high character and great experience as bankers, and the writer of the present article finds in their communication but little to gainsay. Their communication relates substantially to their inability to grant the State further loans, and their anxiety to be relieved from those already granted, and which amounted on the 1st of January last, to \$742,840 66.

Such being the disease, the remedy which the gentlemen propose sufficiently comports with their financial celebrity. No doubt a cessation of all further issues of State stock, combined with a State tax to precipitate the payment of existing stock, will cause State stock to advance in price, and benefit holders who have purchased the stock at a low price, or injudiciously procured it while it was high.

But the question which the Legislature must decide is broader than the above. So long as the State duly pays the interest on its stock, the State performs all that it is bound to perform, both legally and morally, till the principal of the stock is payable; and stock whose payment is dependent on the discretion of the Commissioners of the Canal Fund, after any given date, (as say the year 1845,) is not payable till such discretion shall direct its payment. The fall in price which makes the holders of stock anxious that the State should waive its said discretion, is no good

\* Published in 1842.

reason for the waiver. With the floating market price of stock, the State has properly no connection. It is an incident which those assume who purchase stock.

The true question, therefore, for the State to decide, in the levying of a tax and the suspension of public works, is not whether those measures will enhance the price of stocks, and thus benefit stockholders ; but, whether the tax and suspension of works will promote the interests of the whole people ?

The four New-York financiers admit that the present price (February 28, 1842,) of 5 per cent. stock is 77 per cent. To thus obtain loans is to pay about six and a half per cent. interest on the money borrowed. Any private borrower would deem such a rate moderate, and it seems to present no unreasonable obstacle to the further prosecution of our public works ; much less to the creation of new stock for the discharge of existing pecuniary engagements, in preference to their discharge by a State tax—to pay which, the people will have to borrow money at seven per cent. interest. Shall the State compel the citizens to borrow at seven per cent., to shield itself against borrowing at six and a half ?

The only justifiable occasion for a State tax in the prosecution of public works is, when the State cannot borrow on as good terms as the people, or when the income of the State shall be insufficient to pay the interest on its debts. Such a contingency exists not at present, though it may occur if the State shall proceed manfully in the prosecution of its great works ; and when the contingency shall occur, the people possess patriotism enough, and sense enough, to bear the burden. The constituency of our country have ever been wiser than their legislature imagines. They are now, and for a long course of time have been, far in ad-

vance of their representatives, both in patriotism and spirit. They are now, and for a long time have been, unable to obtain representatives who will carry forward their wishes, or second their love of enterprise. How long this is to continue seems beyond the reach of conjecture, for our elections, State and National, afford us no alternative but to select representatives from conflicting partisans; who, when elected, and of whatever creed, are still the representatives of a party, with all its petty interests, rather than the representatives of a great people, whose public interests are one and indivisible.



#### THE ALTERNATIVE OF A SUSPENSION OF IMPROVEMENTS OR AN INCREASE OF DEBT.\*

AT present, when no alternative is presented to the people but an increase of our State debt or a cessation of our internal improvements, ought we not to inquire soberly into the nature of the alternative?

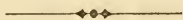
Five per cent. stock will now sell at about eighty dollars for a hundred dollars of stock, and till the price shall fall below seventy-one dollars, forty-three cents, the State will not be paying more than seven per cent. the year interest for the money it borrows;—because, though the State calls the stock a hundred dollars which it sells for eighty, yet the twenty dollars apparent loss the State need never pay unless it please. Such are the terms on which the stock is purchased. The State agrees that it will not pay before twenty years, and that it will not pay till such time after twenty years as it shall please. The bond of John Jacob

Astor for a thousand dollars, payable a hundred years hence, secured by a mortgage on the Astor House, would be worth now only one dollar, fifteen cents, because a dollar, fifteen cents, placed at compound seven per cent. interest for a hundred years, will amount to a thousand dollars. We may judge, therefore, how small the true value is of the twenty dollars which the State need not pay till it shall please. But even this view of the case is less beneficial to the State than the facts that exist; for when the State shall wish to diminish its debt, the State need not pay the hundred dollars for the stock, but purchase it in market for what the price may happen to be. If the price shall fall, as some persons apprehend, the easier will be the terms on which the State debt can be paid.

While the State can sell, as at present, a hundred dollars of five per cent. stock for eighty, the operation is, therefore, far from being so ruinous as some persons apprehend. Should the State take the eighty dollars thus obtained, and loan it to a farmer on mortgage at seven per cent. interest, as it loaned the United States deposit money, the farmer would pay therefor five dollars and sixty cents the year, interest. This would yield the State sixty cents the year, interest, more than the State will pay the holder of the hundred dollar five per cent. stock. Now sixty cents the year, thus received, for twenty years, together with seven per cent. interest thereon, duly compounded, will, at the end of twenty years, amount to twenty-six dollars, eighty-seven cents, four mills; being six dollars, eighty-seven cents, four mills, more than the apparent twenty dollars loss to the State, should the State choose to redeem its stock at par at the end of twenty years. And should the State prefer to let the stock remain unpaid for thirty-seven years, the accumulation of the sixty cents gain of each year

and the annual interest thereon duly compounded, will then amount to a hundred and three dollars, thirty-four cents, four mills, with which the State can pay its stock, and thus gain by the process the whole of the eighty dollars that was originally received for the stock, and in addition, three dollars, thirty-four cents, four mills.

Instead of wondering, therefore, with some persons, at the high price which our State pays for the money that it borrows, we may rather be glad of the opportunity to obtain it on terms so favorable as the present rates. And though accidental circumstances caused our stocks, some years back, to sell at high prices, the same circumstances enhanced the price of labor and provisions; so that we may well doubt whether the eighty dollars which the State now obtains for a hundred dollars of stock, will not make as much canal and railroad as the larger sum made some years back.



### THE ALTERNATIVE OF CONTINUING OUR STATE DEBT OR LIQUIDATING IT BY TAXATION.\*

So far as income is a test of the amount of business which a canal facilitates, it is important; but whether any such income shall be collected or not, is a question of national policy, the benefits of abandoning an income being, in some cases, greater than the income. The debt, also, which our State has contracted in the construction of its canals will not injure posterity, should we not pay it, provided we transmit the canals with the debt; just as a parent will not injure his heir by entailing on him the purchase-money of a lucrative landed estate, which he transmits to the heir with the debt. Should we create a canal and

\* Consolidated from two articles published in 1834 and 1842.

wear it out in our day, leaving posterity nothing but the debt, posterity might well complain; but such will not be the condition of our canals, which promise to increase in lucrativeness as our country increases in population and productiveness.

The true question, therefore, for us to decide, in relation to completing our canals, is, Whether the additional debt to be created will yield a permanent equivalent for the interest of the debt? That we should refuse to create the debt, unless the investment will pay not merely the interest of the debt but the principal also, is a most unreasonable requirement. Especially unreasonable is the requirement which politicians, in compliance with a supposed prejudice of the public, usually demand, that the only improvement which will justify the creation of a debt is one that will repay in twenty years the whole cost of its construction. Even a private citizen, whose calculations are necessarily affected by the brevity of human life, will invest his capital and credit in a farm, without limiting his purchases to such only as will repay the purchase money, in addition to the annual interest thereon.

Our notions in relation to a public debt are founded on the national debt of Great Britain, which was created by the expenditures of war in past ages, and which we deem analogous to the proverbial burden of paying for a dead horse, or for clothes worn out and cast off. In contrast with the canals that we shall transmit to posterity, with the debt for their construction, our estimates of England's debt may be correct. But even the debt of Great Britain she would not accept a release from, on the condition of relinquishing the territorial acquisitions, commercial extensions, and other existing benefits, in many forms, which were procured by the debt.

## PART III.

### MISCELLANY.

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#### THE ALMIGHTY DOLLAR ; OR, MONEY AS A MOTIVE FOR ACTION.\*

AMONG pugilists no possession is so highly prized as pugilistic skill, and among anglers no fame is so envied as skill in angling. In the degree that persons of any given taste preponderate thus in any community, their taste becomes the standard by which all social pursuits are estimated in the community. We need not wonder, therefore, that the United States is the paradise of millionaires, money pursuits engrossing the activity of nearly all its inhabitants, among whom the possession of a hundred thousand dollars confers a dignity equal to a baronetcy in England. Five hundred thousand equals an earldom ; a million makes a duke, and two millions a prince of the blood royal, with power to confer knighthood by the investiture of merely a passing recognition. When such a man dies at eighty, the event is deemed an inscrutable dispensation, and his last will is published as a precious curiosity. But we are not a fawning people ; indeed, thrift would not follow fawning, our money passion not permitting us to part from money for so unsubstantial an exchange. Money sways us by rather a kingly right divine, originating in the complacency we feel thereto, irrespective of any selfish ex-

\* Published in 1856.

pectation therefrom, just as a man's love of female beauty commands his complacency towards it, how evanescent soever may be his meeting therewith.

The power over us of money results from our political institutions, which preclude titulary distinctions. We are like men debarred from champagne and ortolans, and who substitute coarser stimulants and grosser meats; hence a Crimean medal, with which a British soldier can solace his wounds, we so little understand, that our warriors, on hearing of such a recompense, would probably ask naïvely, what metal the medal is composed of, and its value in dollars. We understand no better the red or blue ribbon for which a British general deems a leg or an eye well lost; and when we read the memoirs of Cardinal De Retz, of France, we are mystified at the elaborate court intrigues he instituted to procure from the Pope a white cloak, the Pallium, wherewith to deck his shoulders.

The money motive dictates what is *lucrative* to the actor, irrespective of its effects on other persons, while the honorary motive dictates what is *reputable*, irrespective of its effects on the actor; hence, from its unselfishness, the honorary motive has always been deemed morally superior to the pecuniary. Miss Nightingale, in volunteering to nurse gratuitously the sick and wounded in the Crimea, is a good type of the honorary motive; while the Crimean contractor, who supplied the troops with medicine, arms and ammunition, on terms the most advantageous to himself that could be procured, is a fair type of the money motive. The two motives may, however, be contrasted as to their relative social *consequences*, and this contrast has never been attempted, the consequences never having been fully known till they spontaneously developed themselves in the United States. The two motives differ herein most widely: in the

universality with which the money motive acts, giving to all persons in the United States the same impulse for activity; while the titular motive, the highest of the honorary, operates on only a comparatively small portion of any community. Nor is this quite all. The honorary motive, where it is prevalent, withdraws the elite of society from the ordinary utilitarian pursuits of life, and even relatively discredits them; while the money motive knows no distinction of employments but lucrative and unlucrative; and, providentially, the lucrateness of any occupation is usually commensurate with the magnitude and universality of its utility. The United States accordingly excels all nations in utilitarian instrumentalities,—in the swiftness and tonnage of its navy, in commercial enterprise, in the invention of machinery to save labor, increase production, facilitate locomotion, expedite intelligence, diffuse information, and generally in restlessness of personal activity and disregard of personal ease and luxurious relaxation.

The next important difference between the honorary motive and the pecuniary, relates to the patrons which the motives respectively invoke. “Patronized by Her Majesty and all the Aristocracy,” is a common announcement in England, and accordingly whatever instrumentalities such patrons desire, the nation excels in: as palatial residences, splendid libraries, gorgeous equipages, furniture, statuary, paintings, apparel, retinue, &c.; while our patrons being every man who possesses a dollar, we cater for the multitude by magnificent taverns in every thoroughfare, and magnificent steamboats on every river. In nothing is an American traveller more surprised than at the meagreness of board and lodging he finds at the best hotels of London or Paris; and at the shabbiness of steamboat accommodations in any part of Europe; the magnates of Europe not

thus living and travelling in sufficient frequency to induce an adaptation of the means to aristocratic tastes. Our telegraphs, too, are for the multitude, and proportionably numerous, accessible, obliging, and cheap; ramifying, also, in every direction; while in Europe they are erected for only the government, or at most, for a class, and hence are stately in their regulations, limited to important points, few in number and costly in their construction. A like influence affects journalism in our country and in Europe. The newspapers there are designed for a part of the people, while ours are for all; consequently England, which possesses the most extensive newspaper circulation in Europe, issues not a hundredth part the newspapers that we issue. The contrast exhibited by the United States and Canada, results from the foregoing causes. In Canada, money pursuits are inferior in dignity to officialism, civil, ecclesiastical, military, and naval; consequently the toiling masses stagnate from conscious inferiority, from the sad feeling that Dr. Johnson designated as *secondariness*, and are active to only the degree necessitated by their animal wants. Population hardly keeps from diminution and emigrants arrive there only to comprehend that the palsy which afflicted the land they left, afflicts Canada also, and to pass through it to the States, where they at once become vigorously active in a scramble for a common object.

And now, if we turn from the effects on *productions* of our money motive, to its effect on our *people*, we shall find that it nourishes personal independence and self-respect. In the published travels of a German Prince, we learn that at Ulma he hired a carriage, whose driver said to him, "I understand you are the *man* who hired this coach—I am the *gentleman* who is to drive it." The anecdote is colored, but none of us feel any degradation from being hired,

knowing that we give an equivalent for all we receive, and are only struggling in a given vocation for the object that engrosses all of us. Miss Burney relates a conversation of the Duke of Clarence (subsequently William the Fourth of England) who inquired for his servants by asking "if his rascals were arrived;"—rascals they probably were, the relations of high and low producing their rascality as naturally as his arrogance. The Romans requited their lawyers by the personal homage of clients. The system exalted the few advocates into Ciceros, at an expense of debasing the multitude of litigants; while our pecuniary compensation saves clients from degradation and only keeps advocacy on a level with other pursuits. The apostles of Christianity increased the reverence towards them of their disciples by "working with their own hands" for their subsistence; and some subsequent spiritual teachers entered into vows of perpetual poverty. Our reverence for the clergy we expend in pecuniary contributions, rather than in personal obsequiousness, that leads to spiritual tyranny; money operating with us as a sort of "safety-valve," by which we can "let off" any amount of steam that is necessary to the tranquilizing of our feelings when unduly excited; and custom renders the operation as satisfactory to the donees as it is preservative of independent self-respect to the donors. In England, when military enthusiasm becomes rampant towards a Nelson or a Wellington, the multitude remove from his carriage the horses and substitute themselves; while in France, the population "bow down" and become the servants for ever of a Bonaparte. In these or some other ways, the honorary motive can consummate its intention by only relatively depressing the masses; while we, under the like effervescence of our feelings, give a La Fayette some townships of land, or the conqueror of

Mexico some thousands of dollars, and the treasury depletion allays the tumult of our admiration without derogating from any person's liberty or importance. But many people may judge, that the best effect of the money motive is its tendency to peace, in contradistinction to the honorary motive which tends to war. The French have stigmatized the English as a nation of shop-keepers, in contempt of the supposed occasional honorary sacrifices of England for the preservation of peace; but while this recognizes the money motive as operative in England, its effect is more pervading in the United States than in any other nation that ever existed.

The money motive possesses, however, its disadvantages in contrast with the honorary. Our devotees of the fine arts are so infected by the prevailing influence of money that laurel crowns are disregarded; and our sculptors labor only on busts for those who will pay therefor, as shoemakers make shoes. Our painters design only portraits to order, as tailors make coats; while our authors expend their efforts in compiling and imitating rather than in originating—in travelling over beaten paths instead of opening untried ones—in constructing elementary, class, and school books—and generally in producing the easy literature which is easily produced. But we exceed all people in coarse humor, (Brother Jonathans, Yankee Notions, Negro Minstrelsy, &c.,) and for the reason that it will pay for the time bestowed thereon. It evinces that we are not deficient in originality, but that slop goods and furbished old clothes, suit our market better than better articles that are “caviare to the million.” The same cause operates with us disadvantageously to the clerical profession, whose pecuniary compensation being small under our voluntary system, the profession rarely attracts to its ranks youth of

much intellectual vigor except when connected with a body too feeble for the masculine efforts of more wealth-procuring occupations ; while in England, where lordly distinctions are open to the clergy, the profession has ever included men of the highest intellectual organization. The medical profession depends in England on the money motive as in this country ; hence the profession is more alike in the two countries than the clerical ; except that the medical is disadvantageously influenced among us by the money motive, which repels from the profession, to more lucrative employments, the shrewdest intellects ; though in no department of knowledge is shrewdness of intellect so advantageous as in medicine and surgery. The State of New-York has abolished nearly all the lucrateness of the legal profession, and the youth who now become lawyers are, as a class, especially in the interior of the State, much inferior, intellectually, to those who entered the profession formerly, when its lucrateness equalled the most favored pursuits. In no country so certainly as here will a deterioration of employees follow a diminution of emolument ; and thus we have banished from all our legislatures, National and State, nearly all the most intelligent of our citizens, for they can employ themselves more lucratively than in political stations.

But the worst aspect of the money motive is its tendency to a low state of morals. A sovereign's social position is but little influenced by the means that procured his elevation ; so we overlook in a rich man the means by which he obtained his riches. Morality approves this where wealth is untainted with ill desert ; but we make no marked difference in our conduct towards wealth, whatever may have been the vileness of its obtainment.

The Jews of Europe exemplify some of the results that

the money motive is eliciting here. Being debarred by law or prejudice from obtaining titular honors, they seek riches as the highest permitted distinction, and naturally subordinate thereto much that the honorary motive prefers. What a loss to the world has been their eighteen centuries of debasement!—if, as is affirmed, they are more intellectually acute than any other race; an affirmation they have, however, not verified here, where they suffer no legal disabilities, and are continually vanquished at their own game of pecuniary accumulation; though, probably, time enough has not elapsed to wean them from the petty traffic to which oppression originally crushed them, and to give their aspirations a higher aim.

Among the specific evils which the money motive is developing in our country, is a corruption in legislation, if we may at all believe what is openly alleged of both Congress and our State Legislatures; so that private gain supersedes national honor, utility, and justice; while even the perpetuity of our Confederacy seems secondary to the spoils which its wreck may supply to individuals. How long our electors will remain pure from the influence of money is doubtful. Votes are said to be now purchasable in some localities, especially Congressional votes; for in Congress the opportunity is great for corrupt gains, and the motive consequently large for election thereto; hence, in some districts a canvass for Congressional representatives is thought to be hopeless without a profuse employment of money, the victory being sure to the candidate who will expend the most, and who ordinarily is he who expects to make from the office the most in illegal gains; and thus the election seems to be decided on a principle that insures subsequent venality. A like evil is sadly apparent in our management of private corporations, and it ramifies through

all fiducial positions. Our judiciary is believed to have, as yet, escaped the bad influences to which other establishments have yielded; though the economy we practice in the compensation of judges tends to turn from the bench the best organized intellects, and who, generally, are best for also the conception of duty, purity, and integrity.

I have thus stated the relative national value and tendency of the two motives which ordinarily govern society, —the honorary and pecuniary; but I have said only enough to call attention to what has been hitherto overlooked. I believe the money motive to be, in the aggregate, more beneficial to the whole of mankind than the honorary; as witness our unexampled physical achievements, personal enjoyments, and national prosperity; and when our defects are perceived, the good sense and good intentions of our citizens are, I trust, sufficient to correct the evils of the money motive, and enjoy the good unalloyed.



## THE RELATIVE MERITS OF LIFE INSURANCE AND SAVINGS BANKS.\*

LIFE INSURANCE POSSESSES MANY OF THE ELEMENTS OF GAMBLING.

THE characteristic of gambling consists in the absence of mutual benefit to the players. So in life insurance, no party thereto will usually gain, except at the loss of the correlative party. The chance of gain is also adverse to the insured, as is demonstrated by the large surplus profits which life insurance companies announce the possession of; and which profits, like the foot-prints around a slaugh-

\* Published in 1851.

ter-house, may admonish those who are entering, that the current inwards exceeds greatly the current outwards. Life insurance is promoted by the same artifice as lotteries, —the publication of every case where an adventurer dies soon after the commencement of his insurance; while nothing is said where the insured abandons his policy in disgust, or from sickness, poverty, or inadvertence, after having distressed himself for years by annual premiums; —nor where a person pays much more than his heirs are to receive back on his death. A gentleman of this city, who became married at the age of twenty-five years, and whose support consisted of a small annuity, insured five thousand dollars on his life, at an annual premium of eighty dollars, which he could badly spare.

As the premium is paid in advance, it, at the end of the year,	
amounted, with legal interest, to.....	\$85 60
He then paid another.....	80 00
The interest on which, with the interest on the former	
\$85 60, was. ....	11 59
<hr/>	
Making at the end of two years.....	\$177 19

Should he continue the process twenty-four years, he will have paid, in principal and interest, \$5,038 86, being \$38 86 more than his widow is to receive at his death; but he is young and robust, and should he live till he becomes seventy-five years old, his payments, and compound interest thereon, will amount to more than \$37,000; —consequently, after his widow shall receive the stipulated \$5,000, his loss on the transaction will be \$32,000.

MEN NEED THE COERCION OF NECESSITY, NOT THE ANODYNE  
OF SECURITY.

But gambling lures men from industry, frugality, and accumulation, by hopes of gain, through processes less

slow than these, and less self-denying; and in this result, also, life insurance assimilates with gambling. "Eat, drink, and be merry, for to-morrow we die," and a life-insurance will provide for our family, is the tendency of life insurances, whether conducted by corporations which catch large adventurers, or by clubs that catch humble people, or by health societies, that wring from manual laborers their pettiest surplus earnings. To paralyze a man's efforts, no surer means can be devised, than companies and clubs which shall care for him in sickness, bury him when dead, and provide for his widow and orphans. By like influences, the heirs of rich men exhibit rarely self-denial in expenditures, or energy in business, and become drones in society. Necessity is nature's expedient to vanquish man's love of ease. Providence intends that we shall take care of the future by taking care of the present, and take care of our descendants by taking care of ourselves; just as a horse takes care of its hind steps, by taking heed where he places his fore feet.

WHATEVER SUPPLIES THE OFFICE OF THRIFT SUPERSEDES  
THRIFT.

Ignorant of human nature is he who believes punishment can be wholesomely disconnected from crime, evil from vice, or poverty from any thing but self-denial. If, like our Indians, we possessed no artificial melioration of pauperism, we, like them, should possess no voluntary paupers. The Bavarian Government punishes not only beggars, but persons who give alms, either in money or victuals. No man is so reckless as to remain in bed when the house in which he is lying is on fire; but he may reside in a dilapidated house till it fall and crush him, if the catastrophe is not imminent. So, if no life insurance

would provide for our families after our decease, no health insurance or club would provide for ourselves during disease, and bury us decently when dead, we should provide for these purposes by self-denying accumulations.

A MAN'S PERFORMANCES ARE GRADUATED BY HIS EFFORTS.

A civilized man's wants are numerous, an Indian's comparatively few; hence the civilized man labors more than the savage, and thence proceeds the difference in their performance. Every man's productions will, ordinarily, be thus proportioned to his efforts; therefore, some governments stimulate efforts by protective duties and honorary distinction; but where a man aspires to only present necessities, and to a club for assistance in sickness, and a life insurance for his widow and orphans, he will accomplish only what he aspires to. A man's efforts dilate, like the atmosphere, in proportion to the vacuum which the efforts are required to fill; hence, the man who strives for present affluence, as his only provision against sickness and death, will find his efforts expand with his aspiration, and his accomplishments will increase with his efforts. These principles are true of states and nations. The Federal Government refused to construct the Erie Canal, and thereby induced the State of New-York to invoke its own energies, from whence soon proceeded the Erie Canal. A long train of kindred public works immediately followed, by reason that, when men discover their own efficiency, they continue the exercise of it after the occasion by which it was originally induced. The conflagrations of San Francisco have been severally succeeded by a new city of increased solidity; and the mechanics of that region, acting under the excitement of great demand for labor and high remunerative wages, seem to be a race of giants;

though, when driven, by lack of encouragement, from our Atlantic cities, they went out a race of pigmies.

EVERY MAN'S EFFORTS ARE GRADUATED BY HIS NECESSITIES.

What the poor expend in tobacco we lament, forgetting that men labor by only the coercion of wants, and that Diogenes, who disciplined himself to live without wants, lived without labor also. Tobacco, and other coarse superfluities, perform for the poor what equipages and gorgeous furniture perform for the rich. Our organization is so admirably adapted to keep us active, by the coercion of wants, that new wants arise in every man spontaneously as fast as he can satisfy old ones. Napoleon, in the zenith of his prosperity, craved more dominion, with an intensity augmented by his present possession, not mitigated thereby. The design of Providence, to thus keep men active by the pressure of wants, life insurance and assistance clubs counteract. All sumptuary laws contain the same error, and all Malthusian restraints on marriage. Railroads would never have been invented, had we coercively limited the operations of every man to his neighborhood, as a means of obviating the disadvantages of distance.

LIFE INSURANCE SUBSTITUTES A REMOTE GOOD IN PLACE OF A  
PRESENT EXIGENCY.

A man who labors to purchase an insurance on his life for the benefit of his future widow and orphans, cannot command the energy which he would feel were he laboring for present affluence ;—distance of time operating on man's energies like distance of space operates on the attraction of a magnet. This effect of distance every man feels when, in the midst of health, he indites his last will and testament. Aware of this natural difficulty, when a celebrated

English judge wrote his own will, he took ten guineas from his purse and laid them on the table, that he might stimulate his intellect by the semblance of a present interest. And, still worse, life insurance is obstructive of present interests. A man's early annual savings are ordinarily small; and whether he is to grow affluent or remain poor, depends, usually, on whether he employs his small savings in processes of increase, or extinguishes them in annual premiums of life insurance, or some other way; just as whether a man shall make money in the purchase of wheat, wool, or cotton, depends, usually, on petty savings of expense in the management of his purchase, rather than on any great increase of marketable price between the time of his purchase and sales. Imagine, now, a father who shall keep himself poor, by an annual drain of his savings to some life insurance, for the remote benefit of his wife. He dies, and she commences a like process for the benefit of her children. She dies, and the children severally begin the same process for the benefit of their descendants; and thus, like a cat in chase after its tail, the world is made to revolve around a life insurance, in pursuit of an always future competency, instead of a present affluence; whereby a less motive is continually substituted for a greater.

#### LIFE INSURANCE IS UNFAVORABLE TO DOMESTIC PURITY.

In England, mothers have been convicted of murdering their infants to obtain some petty sum which certain clubs bestow for funeral expenses on members whose children die. Not long since, a man in London killed with strychnia his wife's sister, after having induced her to insure her life largely for the benefit of his wife. The motive to such murders is so operative that they are no longer uncommon;

hence English companies reject all insurances where the applicant cannot show that the beneficiary possesses as much interest in the life of the insured as he is to gain by his death. If our insurance companies are not equally cautious, every life policy which contravenes the precaution is the tender of a bounty for the commission of murder; and the tender may be fearfully effectual when pestilence makes sudden death escape scrutiny; to say nothing of ordinary diseases, in which, whether the issue shall be life or death, depends often on ministrations whose precise quality cannot be apparent to observers; and much of the attendance on the sick is secluded from all observation. A man, well known in New-York, was prostrate with disease, when his life insurance became renewable. His wife knew the contingency, but she possessed no means of paying the required premium. The policy would expire on the morrow, and, though his recovery was possible, the support of his family depended, probably, on his speedy death. Conjugal duty and pecuniary interest were in demoralizing conflict. Was the wife to attempt a prolongation of his life under the hazard of a widowhood of penury; or was she to intermit ministrations on which alone a prolongation was possible? He died before midnight, the hour at which his policy was to expire; and though charity may hope the result was produced by Providence, against the best efforts of the widow, the less human nature is thus tempted the purer will be our domestic relations.

SAVINGS BANKS ARE AS CONDUCTIVE TO THRIFT AS LIFE INSURANCE IS TO UNTHRIFT.

The disadvantages of life insurance proceed from our organization, and, therefore, are inevitable. The advan-

tages of savings banks are equally organic. A boy who makes snow-balls will throw them away as fast as he makes them ; but should he chance to roll up one of more than ordinary size, it will excite in him an ambition to enlarge it, instead of throwing it away ; and the bigger it becomes under his efforts, the stronger will become his desire for its further increase. The principle applies to money. The day's earnings of a poor man are cast away as soon as earned, a man's recklessness being as great as his poverty ; but should he deposit any of his earnings in a savings bank, an appetite for accumulation is immediately produced by the unusual possession of a surplus ; and the appetite, growing by what it feeds on, will add an impulse to the industry and frugality of the depositor, " Eat, drink, and be merry, for to-morrow we die," is no longer the maxim of such a man, but rather : refrain from *expenditure* to day, that we may add to our deposits to-morrow.

ACCUMULATION IS A MORE SALUTARY RELIANCE AGAINST WANT  
THAN LIFE INSURANCE.

To become fonder of accumulation than of expenditure is the first step towards wealth. An agriculturist will receive a few grains of an improved species of corn, which he will not eat, but will plant them, and re-plant the product from year to year, till his few grains will become hundreds of bushels. Money is increasable by analogous processes ; and success is within the power of every man who shall attain to ordinary longevity. If a man at the age of twenty years can save from his earnings twenty-six cents every working day, and annually invest the aggregate at compound legal 7 per cent. interest, he will, at the age of seventy, possess \$32,000. Many men who resort to life insurance, can save several times twenty-six cents

daily, and thus accumulate several times the above sum, long before the age of seventy. Nearly all large fortunes are the result of such accumulations; hence the men who amass great fortunes are usually those only who live long. The last few years of Girard's and Astor's lives increased their wealth more than scores of early years. To be in haste to become rich by a few great operations, is a direct road to eventual poverty. We cannot, however, command long life, but we can approximate thereto by commencing early the process of accumulation—an elongation by extending backward being as efficacious as an elongation forward. Every hundred dollars expended by a man of the age of twenty years, is an expenditure of what, at our legal rate of interest, would, by compounding it annually, become \$3,000 should he live to the age of seventy. This lesson is taught practically by savings banks, and well counteracts the fatal mistake of the young, that old age is the period for accumulation, and youth the period for expenditure. By like principles, a young man who pays annually a premium for life insurance, loses not the premiums alone, but the immense increase which the money would produce, should he invest it at compound interest, and live to the ordinary limit of man's life. Extremely old men, who have no length of life in prospect, are the only persons, if any, who should insure their lives, for the expense of their insurance would be but little more than the annual premiums.

TO TEACH THE POOR SELF-DEPENDENCE IS A BETTER CHARITY THAN ALMS.

“The poverty of the poor is their destruction,” says the Bible, but savings banks correct this evil, by enabling them to accumulate their savings, and become rich by the

means which, alone, ordinarily make the rich richer. That no class of persons may be excluded from the vivifying process of accumulation, savings banks for the reception of penny deposits have recently been instituted in London, and numerous are the reported instances of the salutary change they have produced in the habits and pecuniary condition of the depositors. Nature kindly aids the improvement by the organic mode in which every man estimates his possessions—not by comparing himself with other people, but by comparing his present possessions with his former ; so that a man who possesses a surplus of two pence will feel rich, (as we experience in children,) if he never before possessed a greater surplus than a penny. We have long sought to benefit the poor, by administering free soup to the destitute, penitentiaries to the wayward, clubs and life insurance to the thriftless ; but if we induce the poor man to accumulate his occasional surplus earnings, we shall enable him to cook his own soup, support his family better by his life than by his death, and diminish the inmates of penitentiaries.

THE EXPENDITURE OF MONEY IS THE MOST IGNOBLE OF  
ITS USES.

The highest value of affluence is the social influence which it confers, whereby the possessor may become useful to society by his example and precept. Many persons keep themselves poor by lavish expenditures, in the hope of being deemed rich, and enjoying the superiority which riches confer. The deception is necessarily of short duration ; but had the party carefully saved and accumulated, he might soon have become permanently rich. The mental anguish which a man feels when he loses part of a large fortune, proceeds from an imagined diminution

of his influence and power, not from any physical privations that the lost wealth will create. Nor is such a notion fanciful; men who have been esteemed wise counselors while rich, lose commonly their reputed wisdom, if they lose their property. This phenomenon was observed by Shakspeare, who accounts for it by saying:—

“Men’s judgments are

A parcel of their fortunes; and things outward  
Do draw the inward quality after them,  
To suffer all alike.”

That money is useless except for the physical enjoyments which its expenditure will produce, is the error of the poor; while persons who have experienced the intellectual gratifications which result from the retention of money, gain a better estimate of its value. The respect that attends wealth is as old as the Bible, which says—“If a man come unto your assembly with a gold ring and goodly apparel, and there come in also a poor man in vile apparel, and ye have respect to him that weareth the gay clothing, and say unto him, Sit thou here in a good place, and say to the poor, Stand thou there, are ye not partial?” If two men arrive at the Astor House, where the charge for board and lodging is the same for both, the man who is known to possess the most property will be lodged in a better room than the other, and receive, in every way, a preference. If the two take passage in a steamboat, the like preference will be accorded to the man of superior wealth; and these instances are but exemplifications of a general custom.

THE SLOW ACCUMULATION OF PROPERTY PRODUCES BETTER MORAL EFFECTS THAN SUDDEN ACQUISITION OF PROPERTY.

A man’s self-respect, and the respect of his wife and children for him and themselves, will increase continually

as his savings augment. The gradual increase of wealth which attends the accumulation of a man's savings, is also more favorable to its preservation, and to the possessor's equanimity, than any sudden accumulation of property. The upstart is a well-known genus of repulsive and pernicious peculiarities. A family who succeed to the slowly-accumulated savings of a deceased father, know his modes of investment, (a knowledge almost as valuable as the property he may leave them,) and the family will be more likely to retain the property permanently, than a widow or orphans suddenly enriched by a life insurance, which will be paid them in money, of whose proper uses and safe investment they will be ignorant. Besides, the parent whose savings are safely accumulated, feels not the anxiety which sometimes attends life insurance, lest he may be incapacitated by sickness, inadvertence or disappointment, from paying his burdensome and insidious renewal premium. He is, on the contrary, master at all times of his savings, and can recall them all or a part, as his necessities may require, or as more lucrative investments may become known to him—Savings Banks being a school to teach the art of accumulation to the poor, rather than a resort for experienced capitalists. Nor is a Savings Bank depositor a sort of prisoner, under bonds not to travel into foreign countries, without the consent of some life insurance company ; his freedom nor his money is lost to him ; nor, in case of his death, are his deposits liable to be wrested from his family by any quibble, such as life insurance companies occasionally will and always can interpose, where the company happens to believe that the insured person was not so robust as he or some physician represented at the commencement of his insurance.

SAVINGS BANKS SHOULD PAY DEPOSITORS AS MUCH INTEREST  
AS PRACTICABLE.

As Savings Banks are usually the laboring man's only secure mode of accumulation, they should pay depositors as high a rate of interest as practicable; for the more productive a poor man's mite can be made, the stronger will be his motive for frugality and industry. Some Savings Banks in Connecticut pay depositors 5 1-2 per cent. interest, while our banks pay only 5 per cent., though our legal interest is one per cent. more than in Connecticut; consequently, our long-established city Savings Banks have accumulated enormously large surplus profits, which exist without a legal owner or a legitimate object. These banks are required by their charters "to regulate the rate of interest so that depositors shall receive a *ratable* proportion of all the profits, after deducting necessary expenses;" but the provision fails to effect its object, as is manifested by the accrued surplus profits, portions whereof have in some cases been invested in the erection of palatial banking-houses, and the purchase of valuable city grounds. The depositors from whose hard earnings these costly investments were involuntarily abstracted, have received their stipulated 5 per cent. interest, drawn out their deposits, and are heard of no more for ever. Like other property for whom no owner exists, erections of the above character belong to the State, and are subject to legislative disposal, together with all other surplus profits possessed by these institutions. Why, then, should not all Savings Banks be compelled honestly to divide annually (as a bonus) among its depositors, the total amount of its net earnings beyond the stipulated 5 per cent? The surplus which any bank may own at the time of the enactment of the law, can be reserved from distribution, except the income which may

thereafter be annually earned therefrom. Every Savings Bank possessing a surplus, will thus present to new depositors an inducement which will be salutary to the thrifty poor who may avail themselves of the common benefit; and as the existing large surplusses are owned mostly in cities, the inducement will be presented to the class of poor persons who are locally (by reason of surrounding temptations) most in need of inducements to self-denying accumulations. The law will be beneficial to depositors also, who reside where new Savings Banks are located, by reason that the depositors will receive more than 5 per cent. interest, as soon as the bank shall possess deposits enough to neutralize the contingent expenses; and thus every depositor will become a quasi bank stockholder, to the amount of his deposits, and feel a common interest in increasing the number of depositors, so as to diminish ratably the per-centage of contingent expenses. ]

#### CONCLUSION.

Finally, in our legislation towards Savings Banks, we must remember that the conception of them may have originated in abstract benevolence, but they achieve good as an incident of machinery which is usually instituted for only the personal gain of salaried officers, or for some kindred private benefit. To the Legislature we must look for laws that shall coercively carry into practice the public benevolence which the institutions are capable of effecting, or they will continue to accomplish only as much public benefit as shall be necessary to secure private gains.

## THE POLITICAL AND ECONOMICAL INFLUENCE OF USURY LAWS.\*

THE RATE OF INTEREST AFFECTS THE PRICE OF  
COMMODITIES.

THE right of a man to obtain as high a rate of interest as he can for his own money, will always be subordinated by the public to their right to promote their own welfare. Nor is this unreasonable, money being productive only by the industry of the public, as the Onondaga Salines are valuable only by the desires of salt consumers. A man owning the Salines might insist on an abstract right to charge what he pleases for the salt ; but as he must depend on the community for purchasers, and for supplying legal enactments by which his possessions will be secure from forceful seizure, the community would properly require that the price should be regulated by a reciprocity of interests, on the principle of live and let live. Nor are borrowers and lenders, combined, the only persons affected by the legal rate of interest, any more than the importer of foreign goods, and the Government are the only persons affected by a tariff ; all imposts being ultimately paid by the consumer of imported goods, and all interest entering into the price of productions. The purchaser of a loaf of bread, or a joint of beef, must compensate the baker, or the butcher, according to the legal rate of interest for the capital employed in his business ; nay, the grazier who raises and fattens the beef, the miller who grinds the flour, and the farmer who produces the wheat, must all receive, for their productions, a price sufficient to cover, among other expenses, the interest of the money employed in their busi-

\* Published in 1856.

ness. The legal rate of interest controls still more directly the price of real estate. If my farm will rent for seven dollars an acre, it will be worth a hundred dollars the acre if the interest of money is seven per cent. the year, but it will not be worth more than fifty dollars the acre were the interest of money fourteen per cent. ; and it would be worth two hundred dollars the acre, were the interest of money limited by law to three and a half per cent. The same principle applies to the price of rentable property of every kind.

THE RATE OF INTEREST DICTATES NOT MERELY THE PRICE  
OF COMMODITIES, BUT THEIR PRODUCTION.

If a woolen or cotton factory is to be established in your vicinity, a railroad constructed, or gas and water introduced, will you become a corporator in these enterprises? If the business will pay seven per cent. annual dividends, the stock may be taken where the interest of money is limited by law to seven per cent. ; but where more than seven per cent. can be legally obtained, the stock will not be taken, and the designed business cannot be prosecuted. In California, where the rate of interest is two per cent. or more the month, no manufactural establishment will be undertaken whose dividends will not exceed seven per cent. the year. The legal rate of interest in Massachusetts, is only one per cent. the year less than it is in New-York, still that difference makes cotton and woollen manufactories more desirable investments in Massachusetts than in New-York. This influence of the rate of interest on industrial pursuits, and the price of rentable property, was recognized in England more than a hundred years ago, by the statute which reduced the rate of interest to five per cent., and whose preamble says, that "reducing interest to

ten per cent., and from thence to eight, and thence to six, has, by experience, been found very beneficial to trade and improvement of land," &c.

Some manufactories exist, even in California, where interest is two per cent. the month, and by reflecting on what kinds they are, we may see better the principle by which the rate of interest operates on such pursuits. The manufactures of California are such only as can not be competed with by importation, as, for instance, architectural structures, gas works, railroads, turnpikes, ferries, &c.; but the price charged in California for gas, freight, passage, &c., will exceed the price we charge, in a proportion graduated by the excess of their interest over ours. The like may be said of the rents that will be paid in California for architectural erections, and the principle will manifest itself in all pursuits that require capital. The price of even imported articles becomes enhanced by a high rate of interest, so as to compensate the merchant for the time that must transpire between the purchase of his goods and their conversion into money; hence, after knowing the high rate of interest that exists in California, we need not be surprised at the apparently enormous price of house rent, &c., so long, at least, as the supply of houses, &c., shall not exceed the demand for them.

#### THE ANTAGONISM BETWEEN LABOR AND CAPITAL.

But the influence of the legal rate of interest extends beyond all the foregoing illustrations. A New-York woolen manufacturer cannot continue his productions unless their sale shall repay him for the cost of the raw material and the labor bestowed thereon, together with the legal rate of interest on the employed capital. Of these three essential ingredients, labor is the most unprotected. The

raw material of nearly all fabrics possesses a price that is independent of the home manufacture, for it can be transported at generally a small expense to every home market, and often to every foreign market; hence its price is kept up by reference to the value of the article in the best market to which it can be sent; so that every manufacturer procures his raw material in an active competition against the world, inveterated by rivalry and speculation. Disadvantages still greater apply to the borrower of money. He must compete, not with manufacturers only, but with all his countrymen; and could the rate of interest be enhanced illimitably by competition, as the raw material is enhanced in price, we can see that whether a manufacturer could compete with foreign fabrics and sustain his business, would depend on the price he pays for labor; and labor is so dependent on local demand that the employer can coerce it to accept the lowest compensation that will sustain man's animal necessities. The operation of the principle is manifested in England. The raw material there, as everywhere else, is protected by the competition of purchasers, while money, unrestrained by usury laws, is protected, as everywhere, by universal competition for it; and nothing is unprotected but labor. It accordingly must be obtained low, or many fabrics which are made for foreign markets could not be manufactured at a salable price; consequently the laborers are taught that marriage and its most natural animal incidents are too expensive a luxury for their condition, and that emigration and poor-houses are a part of their proper resources. A laborer possesses the theoretical power of locomotion, and may, like money and raw material, seek the best market; but, practically, nothing is more difficult to move than labor. Besides feelings of attachment towards the place wherein we are ac-

customed to reside, a man cannot remove till he possesses spare capital to support him while he is travelling, and to discharge the expense of carriage, especially if he possess a wife and children. The more a man is oppressed by low wages, the greater will be his desire for removal, but, in the same degree, will be increased the impediments in procuring the means of removal; to say nothing of the uncertainty of finding a better market when all are alike under the same oppressive disadvantages. And labor is further unable to protect itself, by reason that, unlike raw material, which can be aggregated for transportation abroad, every laborer can affect the labor market by only his individual volition, oppressed by a necessity for present sustenance which forbids any prolonged contumacy; and so conscious is the law that labor must continue thus dependent if we would compete with foreign industry, that any attempt of laborers to coerce a concert of action among themselves with a view to control wages, is deemed a conspiracy punishable with fine and imprisonment; a law which is founded on the same public policy as the usury laws, and were one law to be repealed, both ought to be. The antagonism of labor and capital extends, in a modified degree, to the superintendents and clerks of factories, the captains of ships, and the book-keepers of merchants. Lawyers, divines, and physicians are paid for their skill chiefly, and hence are not within the category of persons who can obtain their compensation from only what remains after satisfying the requirements of capital.

AS THE RATE AUGMENTS OF INTEREST, THE MOTIVE OF CAPITALISTS DIMINISHES FOR PERSONAL INDUSTRY.

I will advert to only one more general effect of the rate of interest. The higher we make the rate, the lower will

become the compensation for employing it, and consequently the less will become the inducement for active enterprises, no man being willing to employ his money personally in trade or commerce, if he can obtain, by the loan thereof, all that can be earned in its employment. Such a maximum can, of course, never be realized ; but, in the extreme, we can understand the approximations thereto. So, again, if interest were wholly interdicted, every possessor of money would be compelled to actively employ it, or live on his capital, and thus gradually dissipate it. When the Jews of old forbade the taking of interest, the motive may have been to compel all men to labor ; and no measure could better produce such an end. In England, however, an opposite policy permits capitalists to receive as much interest for money as can be obtained, encouraging thus the inactivity of capitalists, labor being there superabundant. In our country, a medium between these extremes seems best suited to our condition. We should not make interest so low as to discourage the old, the infirm, and unenterprising from loaning their money to the healthy, the vigorous, and the enterprising ; nor should we make interest so high as to invite active money-holders into inactivity, and to so diminish the earnings of mere labor as to check immigration and exclude laborers from domestic enjoyments and the other common comforts of civilization. Our State is prosperous, and all classes of its citizens ; thus evincing that our existing laws in relation to the interest of money are adapted to our condition ; we may, therefore, well be cautious how we try any change in so pervading an element of prosperity as the legal limitation of interest.

## THE PRESENT AND PROSPECTIVE VALUE OF GOLD.\*

## RISE IN THE PRICE OF SILVER.

OUR laws make 10 dwt. 18 gr. of standard gold, coined into an eagle, equivalent to ten silver dollars; but the dollars will purchase in New-York about 3 per cent. more gold than is contained in an eagle—the silver being in demand for exportation. In England, the appreciation in the value of silver is still more apparent, by reason of her greater intercourse with the continental countries, whose currency is wholly silver. An English sovereign contains 5 dwt.  $3\frac{1}{4}$  gr. of standard gold; and it has heretofore, in the intercourse between England and Amsterdam, been deemed an equivalent to 11 florins of silver, and 93 centimes; but now a sovereign cannot be exchanged in Amsterdam for more than 11 florins and 17 centimes. The rate of exchange between England and Amsterdam is, therefore, in England below what has heretofore been deemed par; and a like fall in London attends the exchange between England and every Continental country which employs silver as its legal currency. This fall is particularly portentous of a rise in the price of silver, by reason that these countries are commercially in debt to England; and, therefore, the rate of exchange ought to be in favor of England.

In France the effect of the rise is still more apparent. Hitherto gold has not sought a re-coinage in France—the 8 dwt. 7 gr., which compose a double Napoleon, being more valuable as bullion by  $1\frac{1}{3}$  per cent. than the forty silver francs which the Napoleon represents; but the premium is fallen to about a quarter of one per cent., while an expectation exists that the forty francs in silver will soon com-

\* Published February 1, 1851.

mand a premium over the Napoleon; and that the silver coins (of which nearly the whole currency is composed) can be retained in circulation by only discontinuing gold as a legal tender; or, at least, by arresting the further coinage of gold. Indeed, commissioners are now deliberating at Paris on this course; hence, Frenchmen who possess money in England, and English merchants who are debtors to France, and both Frenchmen and Englishmen who desire to speculate out of the apprehended further rise of silver, are hurrying gold from England to France to obtain its conversion into French gold pieces, before the coinage shall be discontinued, and 8 dwt. 7 gr. of standard gold, in the form of a double Napoleon, cease from being equivalent to 40 silver francs. To repress the flow of gold, the Bank of England has advanced the minimum rate of its discounts to 3 per cent. (it was previously  $2\frac{1}{2}$ ), while the French mint, to resist the influx of gold, refuses to receive it for coinage after nine o'clock in the morning; and so great is the pressure for admission, that a person has no hope of ingress, unless he take his stand at the gate of the mint as early as six o'clock.

#### HAS SILVER RISEN OR GOLD FALLEN?

The foregoing phenomena in the Continental exchanges of England, and the exportation of silver from that country and ours, are not conclusive proofs that silver is more valuable than formerly; for they may be produced by a fall in the value of gold—a supposition believed by many persons, and countenanced by the great gold discoveries in the territories of Russia and in our California. The question is important to us, by reason that a rise in the value of silver will affect us less disadvantageously than a fall in the value of gold. But the question is as difficult of solution as it is

important. The change in the legal tender of Holland, from gold and silver to silver only, is adduced by some persons as a reason for a rise in silver, by occasioning therefor a temporary demand to supply an increased Dutch coinage; while other persons deem the change of currency an evidence that the sagacious Dutchmen are conscious that gold is depreciating, and that they mean to cut loose therefrom, before other countries shall become aware that gold, the ship of nations, is sinking. Indeed, English economists furnish us with as many, and as cogent, proofs on one side of the question as the other; showing thereby nothing reliable, except that they are groping in the dark for truth as much as we; though the subject is more discussed in England, and on the European continent, than it is with us; produced, probably, by their superiority over us in number of persons who possess leisure for speculative disquisition. Indeed, such a contingency as the present seems to be a sort of God-send to their literati—a sort of intellectual California, to which they rush with the same ardor as our more material people rush to the “diggings.” Leaving, then, in their abler hands the topics on which they have descanted, and leaving, for the development of time, facts which time alone can accurately ascertain, we will glean from the already well-reaped field of speculation, a few ears that seem to have escaped the view of other laborers.

#### HOW AN APPRECIATION OF SILVER WOULD AFFECT US.

Our legal tender being silver or gold, at the option of the debtor, an appreciation in the value of silver will be no more injurious to the man who owns gold than an appreciation in the value of leather. To the consumer of silver or leather, the rise of either may be injurious in proportion to his use thereof, but in no greater degree in one article than in

the other. The owner of United States bonds to the amount of ten thousand dollars, may say he can no longer obtain for them ten thousand silver dollars, which he gave for the bonds; but he can obtain a thousand gold eagles, which are worth as much as the ten thousand silver dollars were worth when he loaned them to the United States. His loss is simply a privation of the gain which he would have made had he retained the silver; and it is a loss which may be predicated equally of a rise in the price of leather, that he failed to purchase before its appreciation.

A country in which silver is the only legal tender will be differently affected from what we are by the appreciation of silver. The debtors who borrowed before silver appreciated in value, will be injured by being compelled to pay in appreciated silver, without receiving any compensation for the appreciation. What the debtors thus lose the creditors will gain. All persons will gain whose property consists of silver; as, for instance, creditors generally, fixed annuitants, bank-stock holders, the owners of other stocks whose basis is money, (in contra-distinction from railroads and kindred stocks, whose basis is not money); while all property, except money, will be neither benefited nor injured by the change. A bushel of wheat, which could be sold for a dollar while silver was unappreciated, may now sell for as much less than a dollar as the silver has increased in value; hence the change will neither enrich nor impoverish the seller. These consequences, however, will not exhibit themselves in practice with the regularity and distinctness of the operation in theory, but the practice will approximate towards the theory, and eventually harmonize with it.

## HOW A DEPRECIATION OF GOLD WOULD AFFECT US.

The converse of all the foregoing would result from a depreciation in the permanent value of gold. All persons whose property consists of gold : namely, all the holders of government stocks, all creditors of every other description, bank-stock owners, insurance company stockholders, recipients of fixed rents and annuities, will lose to the extent of the depreciation of gold ; which, being a legal tender, they must receive at the mint valuation ; namely, at the rate of ten dollars for every 10 dwt. 18 gr. of standard gold. The effect on all other persons will be neither beneficial nor injurious. Land will rise in price, and railroad stock, ships, and all other property, except money ; but the rise will be only equivalent to the depreciation in the money.

## GOVERNMENT MIGHT PALLIATE THE EVIL.

That the legal coins of a country should thus be subject to a fluctuation of value is a great practical evil, from which the world has heretofore been measurably exempted, by the long-continued sameness of value that has accompanied gold and silver. The man who lends a thousand dollars to-day, on a ten-year loan, may not know but the depreciation of gold during the loan will absorb a share of the income which he is to receive for the money ; hence a new element will arise in loans, a price for the use, and a compensation for the contingent depreciation of the loaned capital ; but for the latter no means of indemnity exist. Government might measurably shield creditors from such a danger, by statedly increasing the quantity of gold which composes an eagle ; so as to compensate in quantity, from time to time, as depreciation of value should become certain and permanent ; as the British Government, some years since, called in the guineas which had lost weight by

abrasion. Such a process would prevent the currency from sustaining any great loss of value at any one time; and would also confine the loss to the holders of the coin for the time being, without entailing it, and accumulating it, on remote debts. But governments are usually debtors themselves, and will not be likely to enhance their own burdens. This consideration will assuredly keep the present standard unchanged in Great Britain, also in our own country, where the debtor interest is always more sympathized with than the creditor interest. The same consideration will probably withhold France from abolishing the regulation by which 8 dwt. 7 gr. of standard gold are equivalent to 40 francs of silver—notwithstanding the change is under deliberation by a governmental committee. We know from history, that almost every country has, in its progress, deteriorated its coins, diminishing their weight or quality, and thereby paying its debts cheaply; and no reason exists for supposing that, should nature interpose an equivalent remedy, it would be rejected now.

During the suspension of specie payments by the Bank of England (from February 26, 1797, to May 1, 1821—twenty-three years), all the government fundholders, and other government creditors, were paid in bank-notes, though the difference between them and gold increased in 1814 to 25 per cent. in favor of gold. The apparent injustice was, however, greater than the real; by reason that the suspension operated on gold like a monopoly. Gold became a scarce article; hence persons who needed it for exportation, for manufacture, or for any purposes that bank-notes, the domestic money, would not subserve, had to purchase gold as merchandise, at the price it had attained by the well-known laws of scarcity.

SILVER AND GOLD ARE CONTROLLED IN VALUE BY THE PRINCIPLES WHICH CONTROL THE VALUE OF OTHER ARTICLES.

Such being the dangers which some persons apprehend in our monetary system, a brief consideration may not be untimely, of the principles which regulate the inherent as well as the temporary value of gold and silver. Their inherent value depends on the cost of their production. If gold shall be procurable in California at less cost than heretofore, its inherent value will be less than heretofore, provided the quantity thus procurable shall be sufficient to supply the accustomed demand therefor. This proviso is an essential condition, because the facility with which gold is procurable in California will only enrich the procurers, without diminishing the intrinsic value of gold, should the amount procurable exist in too small a quantity to over-supply the quantity of gold which the world is accustomed to use. In Russia, gold has been for some years procurable at less cost than it had been; but the quantity thus procured was not sufficient to create a surplus, hence not sufficient to reduce the value. The cheapness with which the Russian gold was procured, inured therefore only to the private gain of the procurers. That gold is obtainable in California with unusual facility, and consequent cheapness, cannot be doubted (sixty millions of dollars worth having been shipped from San Francisco in fifteen and a half months); but whether the quantity shall be sufficient to over-supply the accustomed uses to which gold is applied, remains to be ascertained by experience. Gold, as heretofore discovered, possesses the aristocratic peculiarities of gems, rather than the character of metals; being always found uncompounded with other minerals; though it is occasionally surrounded by inferiors. The gold which is found in California possesses the accus-

tomed virgin purity, and occupies the position in which gold has generally been found in all other places; thus evincing, that nature has not in California departed from her accustomed analogies. May we not, then, fairly presume that all other incidents attendant heretofore on gold will also occur in California; that gold exists there only superficially, to any great extent; that the superficial supply will eventually become exhausted, as it has been in other localities, and the procurement of gold revert to its former costliness?

AS GOLD BECOMES LESS VALUABLE ITS SOURCES OF SUPPLY  
DIMINISH.

Many gold mines exist whose product will barely compensate for the cost of working them, while some are abandoned, by reason that the gold they yield will not pay for the cost of its procurement; should, therefore, the gold facilities of California diminish the value of gold, the diminution will cause the abandonment of many mines which are scarcely profitable at the present value of gold. The discontinued mines will augment in number, with every advance in the progress of depreciation that gold shall experience; a process which will operate as a sort of counterpoise, or resisting force, in any depreciation of gold that may arise from its over-production. Another resisting force exists in the rapid enlargement of the area of commerce, the increasing population of many great countries, and the steadily increasing uses of gold occasioned by these and kindred causes:—"The United States, with their population of 25,000,000, doubling every twenty-five years—Russia, with its population of 66,000,000, doubling every forty years—and Great Britain, with its population of 29,000,000, doubling in about the same time, and its exports and imports doubling in thirty years."

## EFFECT OF QUANTITY ON PERMANENT VALUE.

On few subjects is the practical knowledge of men more correct, and the speculative knowledge more indefinite, than on the relation which quantity bears to value. The quantity of gold which may exist in California will not inevitably influence its permanent value, though it may affect its price temporarily. The quantity of gold we may assume to be illimitable, but all that will be procured thereof will be the quantity whose procurement shall remunerate the procurers. The cost of procurement must, therefore, constitute the ultimate regulator of the value of gold. A remarkable connection exists, however, between the quantity in which we possess any article and the cost of its procurement: and hence, probably, has arisen the notion that value depends on quantity. We possess every article in a quantity inverse the cost of its procurement;\* for instance, if you inform a man that iron is procurable from the earth at a less cost than brass, he may know with certainty that we possess more iron than brass, though possibly the earth may contain within its recesses more brass than iron. We know that men have always dug brass from the earth, and probably always will; therefore the quantity thereof which we possess to-day is not limited by the quantity in the earth, except on the principle above asserted: that the quantity which we procure of any article is governed by the cost of its procurement.

*Men use most the articles which they procure most easily.*

But why do men procure every natural production in a quantity inverse to the cost of its procurement? Because

\* The market price of any article (its price to-day compared with its price last year) is indeed governed by its scarcity or plenty, with reference to the quantity of it we are accustomed to possess; but the intrinsic value of the article (its permanent relation in price to any other article) is not governed by the quantity in which mankind possess the two articles, but by the relative cost of their production.

we use every article in a degree proportioned to the facility of its procurement. This is an instinct of our nature—an organic predisposition, strikingly exemplified in the numerous uses to which we apply silver, beyond the uses to which we apply gold, and in the still more numerous uses to which we apply brass than silver, iron than brass, stone than iron, and water than stone. In every country the articles most easily procured come to be deemed the necessities of life, because we conform in our habits to the use of articles in a degree proportioned to the facility of their procurement. The principle is well exemplified in our plank roads—a use of plank which clearly derives its origin from the comparatively small cost with which plank is procurable, as compared with its cost in England, where no such use of plank is adopted. In some parts of our country, wood supplies the place of stone and brick in building, and of coal for fuel. The wicks of candles are composed of wood, and the hinges and latches of doors : it constitutes in such localities the great necessary of life.

#### EFFECT OF QUANTITY ON TEMPORARY VALUE.

But though the permanent value of gold, and every article, is thus governed, not by its quantity in nature, but by the cost of its procurement, the temporary value (present price) is continually governed by the proportion which the quantity we possess of any article bears to the quantity that we are accustomed to use. When the crop of coffee happens to be much less than the accustomed crop, a sufficiency no longer exists to supply the accustomed uses ; but as every man is naturally solicitous to obtain his accustomed quantity, the demand for coffee will become active, and the holders of it will be stimulated to enhance the price. The advance in price will induce most persons to

be unusually frugal in the use of coffee, and some persons will abstain wholly from its use; and thus the small crop is eked out.

Now, if we can suppose that the annual production of coffee shall, from any reason, continue for a few years to be equally small, the enhanced price will not continue. Every man will be accustomed to the quantity to which the scarcity induced him to limit himself, and therefore coffee will no longer be deemed scarce—the demand will subside, and be only equivalent to the supply; and the unusual price will subside with the unusual demand. When the Dutch possessed all the countries which produced nutmegs, they were accused of annually destroying a portion of the crop, to create annually an artificial scarcity. But the stratagem could realize its object occasionally only; men would soon become habituated to the restricted supply, and would cease from competing for more: the article would then be no longer scarce, nor command a price dictated by an insufficient supply. This foolish story has been repeated by the gravest writers, who seem not to have been aware of the fallacy on which its alleged practice is founded. Potatoes are probably experiencing in Ireland a permanent change of quantity. When the crop first became less than ordinary, the price rose by competition among purchasers, who severally desired their accustomed supply, deeming it essential, almost, to their existence. The high price thus induced influenced many persons to substitute Indian meal, and other articles, in place of potatoes; and now the people of Ireland are becoming so accustomed to the diminution in the potato crop, that the quantity produced is no longer enhanced in price by the principle of scarcity.

Consequences opposite to the foregoing will accompany

any surplus production of gold, or of any other article. When more gold shall be produced than will supply the accustomed uses, the holders of gold will be more solicitous to part from it than others to purchase; and the principle of over-abundance or plenty will cause the price to fall in a degree proportioned to the over-abundance.

But as every article is used by man in a degree governed by the cost of its procurement, the uses to which we apply gold will increase as its costliness shall diminish; a process which continually tends to mitigate the fall in value of any article whose production happens to become augmented. The abundance of sheep in some parts of our country introduced the practice of melting them for their tallow, and a superabundance of hogs caused the invention of lard oil. We use peaches to feed hogs and make brandy, as the grape is used in other countries to make wine; but in both cases the use is dictated by the quantity in which the article is possessed. We use iron to make roads, and cotton to make cordage—uses which were not thought of when the articles were comparatively difficult of production, and consequently small in quantity.

#### THE EXTENT TO WHICH DEPRECIATION CAN PERMANENTLY ARRIVE.

We may imagine, however, that the quantity of new gold will increase as California shall increase annually in population. Should this occur, and the supply keep continually in advance of old and new uses, the depreciation must continue to go on, till the price of gold shall eventually become so reduced as no longer to pay the cost of further production. This is the minimum price which gold can permanently attain, and at this point further depreciation will be arrested by a cessation of gold increase; and

after various vibrations, gold will become again measurably fixed in a price graduated by the cost of producing it.

#### THE PROGRESS OF ANY SUPPOSABLE DEPRECIATION.

We find, therefore, that the extent of permanent depreciation which gold can suffer, from the discoveries of California and other places, will depend on the cost at which gold can be procured. The progress of depreciation in any article, may be likened to the circles produced in a pond by the descent of a stone. The descent is immediately followed by a disturbance of the water within a definite small circle. The first circle is succeeded by a second, which is larger than the first; the second is succeeded by a third, which is larger than the second; and so progressively, till the disturbing force becomes exhausted, or so diminished as to produce no longer any sensible effect. Now, to profit by the metaphor, we must remember that the pond which California gold disturbs is the civilized world, and, in that particular, gold differs from articles of a restricted local use. The disturbing cause has been in active operation some sixteen months, during which period some sixty million dollars' worth of gold has been exported from San Francisco, and the world is just beginning to debate whether the effect is at all apparent beyond the immediate circle of the gold diggings. The effect there is apparent in all operations and things in which California labor is an element—the price of labor being necessarily graduated by the amount that it can earn in gold digging, an employment free to all persons. If, then, we knew precisely the money price of day labor in and around the diggings, we might estimate pretty accurately the average quantity of gold that a man can reasonably expect to find daily at the placers—the two being naturally equivalent, or,

at least, regulators of each other. The high prices which have been given in California for flour, pork, merchandise, &c, imported thither, depend mainly on a different principle—on the demand beyond the supply, and the consequent competition of purchasers, stimulated, no doubt, and assisted by the abundance of money, or its equivalent, gold dust; but not proceeding from the abundance as a necessary effect. Should any articles of merchandise be brought into California, in excess of the accustomed wants of the inhabitants, the articles will fall in price to an extent governed by the excess, notwithstanding the abundance of gold.

In California, therefore, the quantity of gold which can be picked up daily, is, at present, a measure of the value of day labor—a condition which seems to conflict with the theory, that the value of gold is regulated by the cost of its production. The discrepancy is occasioned by the exportability of gold, thereby making its value in California dependent, not on the facility of its production there, but on its value in places to which it can be exported. Gold will continue to retain in California its European value, till the quantity received from California shall create in Europe a surplus of gold beyond the accustomed uses therefor. Nay, before gold can depreciate in California, or anywhere, an excess of gold must be experienced in every place that commerce can reach, gold being the most exportable of articles, by reason of its great value in a small bulk and weight—circumstances which assimilate it with the electric fluid, and make its transits easy, and relatively costless; and which have, accordingly, always caused it to be an almost perfect common measure of value between the most remote countries. Our State is the recipient of nearly half the gold that is exported from California, yet

gold in New-York retains all its accustomed value ; unless, indeed, we assume the question in controversy, and say that the premium which is paid for silver is occasioned by a depreciation of gold. All the gold we receive, we can still employ in our accustomed remittances to Great Britain, at its accustomed value here and there, in liquidation of debts contracted before the influx of gold. The surplus which may occur anywhere will be first apparent in the creditor nations of the earth, of which England is the greatest, and to which the exigencies of commerce cause it to flow ; still, in England, the depreciation of gold is as much a controverted question as it is with us.

GOLD COINS POSSESS A VALUE DISTINCT FROM THE PRICE  
OF BULLION.

But whatever depreciation may occur to gold as bullion, the effect to every person, arising from the depreciation of bullion, is different from the depreciation of gold as coin. The man whose property consists of debts due to him, of bank stock, fixed annuities, or money in any other shape, is not compelled to receive bullion at any higher price than its market value. Coined gold he is bound to receive at its legal rate, but the coin possesses to the receiver an inherent value, by reason that it can liquidate all existing debts, national and individual, and which debts were contracted before the depreciation of gold. Our Wall-street brokers will occasionally purchase, at par, a stock known to be worthless, but the purchase is made to fulfill a former contract for the delivery of the stock ; hence it is worth par to the purchaser, if he cannot obtain it for less. Our old Continental paper money became, eventually, worth in silver only 1 per cent. of its nominal value ; yet when the bills were first emitted, and were a legal tender

in discharge of specie-contracted debts, they retained a value nearly equal to silver, so long as such a use existed for them. When the notes would eventually exchange for silver at only 1 per cent. of their nominal value, the debts for which they were then a legal tender had been contracted on a basis graduated by the depreciation of the bills. A bank may to-day become worthless, yet if its notes in circulation exceed not in amount the solvent debts due to the bank, and which can be paid by the bank notes, the notes will continue to sell at nearly, or quite, their nominal value, being as useful as specie to the bank's debtors. But habit also attaches some fixedness to the character of money. When the revisers of our State laws, some twenty-three years ago, changed a gross hundred-weight from 112 pounds avoirdupois to 100 pounds, and a ton from 2,240 pounds to 2,000 pounds, they diminished the intrinsic value of a ton of hay nearly one-eighth; but people had been so long accustomed to a given price for a ton of hay, that the change in the intrinsic value of the ton has ever since inured to the benefit of the producer. Thus, gold coins might depreciate greatly in intrinsic value, before a man would pass a gold eagle for less value, in other articles, than he is accustomed to receive for it. We know that in 1834 our gold coinage was reduced in value some  $6\frac{3}{4}$  per cent., yet the reduction has ever since been undiscoverable, except when the coins are exported and sold as bullion. The distinction between coin and bullion is not unseen in France, as we learn from a recent paper of M. Dierichx, the Director of the Paris Mint, and communicated to the French Commission, which is deliberating on a cessation in France of the coinage of gold. M. Dierichx speaks of the existing coinage as possessing a value "guaranteed by the stamp of the State." Now if

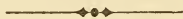
we consider the public debt of Great Britain, four thousand million of dollars, besides the public debt of our own National and State Governments, and the immense indebtedness of the inhabitants of both countries, and the debts of corporations, and which are all payable during a long futurity, and can be liquidated by gold coins at their pristine value, we may see that a person whose property consists of money, directly or indirectly, need not fear any sudden change in the value of his property; and probably no man exists who will be able to feel, at the close of life, that the change has impaired his fortune in any sensible degree.

We have purposely confined the above view to our country and Great Britain, excluding France and all the other nations of Europe, Asia and America, that possess a gold coinage, and whose operations will, by the principles above referred to, aid in guaranteeing permanency to the value of gold. Such countries may possibly adopt hereafter a coinage wholly of silver, but we know England and our country will not, for reasons already explained; and for the further reason, as relates to our country, that, possessing the sources of gold, we can no more expect her to discourage the use of gold, than we can expect China to discourage the consumption of tea.

#### CONCLUSION.

But we may be told that gold coins cannot retain a value much above gold bullion, by reason that a spurious coinage of gold cannot be prevented, should the price of bullion fall much below the value of coin. The spurious coins will be made out of the same standard gold as the genuine, and of equal weight, and be incapable of detection. The objection is probably correct, and it will doubtless prevent

a cessation of coinage by any government which retains gold as a legal currency. Still we believe that the uses and principles which we have enumerated will uphold all the gold that can be coined, and consequently keep the price of gold bullion from any depreciation, except the most gradual and insensible. Yet, should gold be found in California, or in the Ural and Altai mountains, or anywhere, in quantities enough to supply the known uses therefor, and be procurable at less cost than gold has heretofore been procured, its value will be ultimately lowered in proportion to the diminution in its cost. Many persons believe that a depreciation has been long in progress. It may now be somewhat accelerated in its course, but it will still creep on, like old age, noiselessly and imperceptibly ; and we shall become conscious of the change, if change it shall, only by comparing together long separated periods.



#### TITLE AND PLAN OF A NEW DICTIONARY.\*

WE are taught many dead languages and several of the living, while our own English is acquired accidentally, or, at most, incidentally ; and while we have collected and methodized Egyptian hieroglyphics, our own words are un-

\* This plan was published in 1830, in a pamphlet, and soon thereafter it constituted an address in the City of New-York, to the "American Lyceum," and was published among the proceedings of the Lyceum. How far it has been operative, the author knows not ; but since its publication, several school books by Towne and others have supplied some of its requirements. Webster's Dictionary, also, in its late editions, by Professor Goodrich, has been much improved by several approximations to the plan, especially as regards synonyms ; but the most remarkable approximation is Roget's Thesaurus, published in London in 1852. The plan is, however, still unexecuted to the extent that utility requires, the plan contemplating an improved dictionary *in full*, with all the aids necessary to make it a complete *Index* to our language.

collected, except in the Babel of an alphabetical arrangement. The unconsciousness with which we have borne this great inconvenience posterity may deem as wonderful as we deem the patient endurance of smoke by our ancestors—chimneys having been but recently introduced into England at the time of Queen Elizabeth.

To our social language, including so much of the scientific as general scholars ought to be acquainted with, my remarks will be limited. Its extent, as collected by Webster, is seventy thousand words, and these all of us are supposed to know. On this false assumption is founded the alphabetical arrangement of our dictionaries. To teach us the words themselves lexicography has never made an attempt. Orthography, etymology, definition, and orthoëpy, were the objects of Johnson, and these continue still the circle of lexicography. Even our countryman has confined himself to these subjects, and finding nothing unperformed therein of sufficient extent to satisfy his emulation, he has begun to new-model the orthography, and bring it back to the confusion from which Johnson extricated it. His change is founded on the vain supposition that stability can be produced by attaining perfection; while it is attainable by only a prudent acquiescence in imperfection. On no subject is unanimity of opinion possible, except by a forbearance of opposition.

The energy of our language consists chiefly in possessing words in sets; a substantive, adjective, verb, and adverb, constituting a set: as, knowledge, knowing, know, knowingly. When the different parts of speech are, like the above, derived from one word, alphabetical precedence places them so nearly together in our dictionaries that a reference to one of them discloses the others. But in numerous cases the different parts of speech are not thus derived, and we have no systematic means of learning their

existence : for instance, can the verb *to vanish*, be expressed adjectively ? This would be deemed a strange question if propounded to any youth. It is a branch of learning he has never heard of. I lament, however, that our dictionaries do not teach it. In some of them we find, under the word *vanish*, its preterite and participle ; why should we not find, also, that its adjective is *evanescent*. Can the substantive *flour*, be expressed adjectively ? By looking at the word *flour* in our dictionaries I should like to discover an answer ; but they attempt no such information. We may expect to see *floury*, but we shall find it not. The word, however, will soon be legalized. Unacquaintance with existing words is constantly changing our language. When lexicographers reject the word *floury*, it would probably never force its admission, if they would state under *flour* what its adjective is.

If a youth should ask if the word *cobweb* could be expressed adjectively, or the word *summer*, or *spring*, or *tree*, or *son*, the answer would be a mockery, should we refer him to a dictionary. Where is he to look ? A lexicographer might say to students, with reference to his definitions, what a celebrated cookery book says of cooking a hare : “ first catch it.” We must catch the word before the lexicographer’s definition can aid us in learning that *araneous* is *cobweb*, adjectively ; that *estival* is *summer*, adjectively ; that *vernal* is *spring*, adjectively ; that *arboreous* is *tree*, adjectively ; and that *filial* is *son*, adjectively.

In our language, a word has usually several adjectives. *Copper* has the English derivative *coppery*, and the Latin derivatives *cuperous*, consisting of *copper* ; and *eruginous*, partaking of the nature of *copper*. *Iron* has the adjective *irony* ; also *chalybeate*, impregnated with *iron* ; *ferruginous*, partaking of the particles of *iron*, and *ferreous*, consisting of *iron*.

Bark (the rind of a tree) has, in addition to barks, corticated, resembling bark ; corticose, full of bark ; and cortical. Cold has gelid, very cold ; frigid, which is cold when applied to the feelings ; and frigorific, producing cold ; also algific and algid.

I am far from wishing that a dictionary should be learned by rote. When a person knows what information his library contains, and where any item of it may be found, the library becomes almost as much a part of his personal knowledge as if the whole were transferred to his memory. A learned man is an index of books, rather than a transcript : a result which is a compromise between the finitude of our faculties and the infinity of learning. In compliance with this compromise, books are usually furnished with indexes ; but dictionaries, the most heterogeneous of books, and the most repugnant to memory, receive no such expedients. Some languages may need them not ; but our language, a compound of every tongue, will never be known in its copiousness, and hence will never become stable, till some artificial means shall reveal to us the words which we possess, and at the moment when we need the revelation.

All I have said of adjectives is equally applicable to substantives, verbs, and adverbs. Can the adjective *tender* be expressed verbally ? Can the substantive *pauper* ? Few of our youth probably know that *intenerate* and *depauperate* are the verbs. To numerous verbs, like the above, lexicography furnishes no guide. Indoctrinate is the verb of doctrine ; denude, of naked ; imposthume, of abscess ; acclimate, of climate ; intimidate, of timid ; anglicize, of English ; tabulate, of arithmetical tables.

Our language is less rich in adverbs than in any other class of words. It contains them, however, more copiously than

is usually recollected when their use is needed ; hence, the use of the uncouth compound, side-by-side, when we have the adverb abreast.

The foregoing are but a part of the classification of which words are susceptible. Suicide enables me to express with a word what, without that word, I must employ a sentence to express. The energy of a language consists chiefly in such words ; but here, also, chance alone directs us to a knowledge of them. Have we a word which signifies the murder of a poet ? Could we resort to our dictionaries and find the answer under the word poet, it would constitute the guide which our language, in this particular, requires. Have we a word which signifies that man is constitutionally liable to commit sin ? We possess no means of knowing, unless we accidentally meet with peccable, which is the required word. Virility is restricted to man ; have we a kindred word applicable to woman ? Have we a word that signifies a woman-hater ? It is in all our dictionaries, and could we find it under the word woman, we should possess the guide of which lexicography is now deficient. Possessing two eyes is binocular—two angles is biangular—two wings is bipennated—two horns is bicornous—producing two animals at a birth is biparous. Why should we not be referred to these, under the words eye, wing, angle, &c. ?

Our language, so far from being the disconnected mass which dictionaries exhibit, possesses important relations besides those which I have enumerated. War is the correlative of peace, potent of impotent, desecrate of consecrate, analogous of anomalous, dissonant of consonant, apposite of opposite, immemorable of memorable, horizontal of vertical, patent of latent, immit of emit, diverge of converge, prospective of retrospective. The energy which

is produced by the contrast of opposite words occasions their frequent conjunction ; but we have no means, except chance, of acquiring a knowledge of their existence ; but our dictionaries should be so improved, that by looking, for instance, at symmetry, we should learn that asymmetry is its opposite.

Another important relation of words to each other, is as negatives and affirmatives. By looking in our dictionaries at the word one, we ought to be able to learn that multiply is more than one. Laudable should teach us its negative, illaudable ; evident, its negative, inevident ; devout, its negative, indevout. Fire should teach us that unflammable is an incapability of being fired. Decay should teach us the word indefectible ; break should teach us infrangible ; weep should teach us illachrymable, and taste should teach us intastable.

Synonyms, also, we ought to possess a similar means of knowing. Every vulgar word and every indelicate, how gross soever, possesses inoffensive synonyms. Numerous synonyms bear evidence of having originated from ignorance of existing words, as incommode, discommode ; unacquaintance, disacquaintance ; unmortgage, dismortgage ; unmask, dismask ; incongruity, discongruity ; unactive, inactive ; unmixable, unmiscible ; unlimited, illimited ; illegal, unlawful ; unpolite, impolite.

Another class of synonyms yield us a choice of euphony—as, surname, patronymic ; heathen, ethnic ; gladiator, agonistes ; icy, glacial ; heat, calidity ; next, proximate ; heavenly, celestial ; southern, austral ; northern, arctic ; &c.

Words are susceptible of other classifications, at which I will merely glance. For instance, to act, to react, to coact, to counteract, should, I think, be all collected in our dic-

tionaries under the verb to act. We possess nearly fifty words which thus modify action, as enact, re-enact, actuate, &c. How far the references should be extended, is a question for the exercise of judgment.

Under the word digestion, I should like arranged its kindred words, peptic, eupeptic, dyspeptic, &c.

Under the word death,—euthanasia, posthumous, demise, defunct, &c.

Under the word day,—ephemeral, diurnal, triduan, diary, &c.

Under the word murder,—patricide, sororicide, deicide, infanticide, tyrannicide, &c.

Under transparent,—opaque, pellucid, translucent, &c.

Under visible,—sapid, tangible, audible, odorous, &c.

Under shoe,—calceated, discalceated, &c.

Under snatch,—ereption, arreptitious, &c.

Under geography,—chorography, hydrography, topography, cosmography, &c.

Under opticks,—dioptricks, catoptricks, &c.

Under chain,—interchain, unchain, catenarian, catenate, &c.

Under carnivorous,—granivorous, piscivorous, graminivorous, &c.

In short, I desire a complete index to our language, so that a person who refers to any word may see all the words with which it is connected in signification;—may see also how the word can be expressed substantively, adjectively, verbally, and adverbially; and may see its synonyms, its correlatives, its negatives, and affirmatives. This is no visionary suggestion, nor does it involve great labor or learning. I have proceeded far in the construction of such a dictionary without its having occupied more than the evenings of six months. I procured two blank

folio books. Each is the size of a volume of newspapers. On the outer edge of every second page, the book-binder pasted a column, cut from an English dictionary. Having a whole dictionary thus formed of single columns, with a blank margin of almost two folio pages to every column, I took another dictionary, and with a scissors cut out, for instance, the word *abacus*, with its definition. This word purports to be a counting-table. I pasted it in my dictionary against the verb to count. But *abacus* is also "the uppermost member of a column." I, therefore, cut another *abacus*, with its definition, from a supplemental dictionary, and pasted it into mine, against the word *column*.

After a little familiarity with the labor, and with the assistance of my children, to whom it was a pleasant and instructive amusement, I could generally cut out two hundred words of an evening, and place them appropriately in my dictionary. I was soon surprised at the numerous relations, connexions, and dependencies which words bear to each other, and at the number of useful words of whose existence I had been ignorant. On looking, for instance, at the word *colour*, I had collated aside of it thirty-eight words:—*lutarious*, the colour of mud; *citrine*, the colour of lemon; *philomot*, the colour of a dry leaf; *festucine*, the colour of straw, &c. In Johnson's definitions of familiar words, constant evidences occur of a desire to reveal unusual words. So little, however, is this beneficial design appreciated, that a recent newspaper adduces, for ridicule, Johnson's definition of *net-work*. The definition says, that *net-work* is, "anything reticulated or decussated." The news-writer may have been indebted to the definition for a knowledge that our language contains the words whose use he ridicules; and for such information alone they were doubtless used by Johnson. A knowledge of

these words is important, for we cannot express either net-work or net, adjectively, but by reticulated, or a modification of that word ; nor does Johnson's Dictionary, or Walker's, or Sheridan's, contain a word that will express net, verbally, but by a modification of decussated.

The dictionary which I attempted to compile was not the suggestion of knowledge, but of ignorance. In striving after conciseness in my occasional compositions, I had often found that a phrase could be expressed by a single word ; but when I desired to express a phrase, how was I to know whether or not our language contained any equivalent word ? To acquire an English dictionary by rote would not insure my object, for I might not recollect the precise word at the moment its use became necessary. For my own information, therefore, I wished to collate the contents of a dictionary. The production is not intended for the public, hence I confined the collocation to words that are useful to my own degree of knowledge ; but I publish the plan I pursued, hoping that it may gain the attention of persons who possess leisure to execute it fully, and skill to improve it. An unacquaintance with our own language is a penalty which every man suffers for an unacquaintance with Greek and Latin, to say nothing of the disadvantage of an unacquaintance with modern foreign languages ; but this penalty will be removed by such a dictionary as I have sketched. And, though, I have spoken of a dictionary only, the different classes of words may easily constitute one or more useful school-books, and to such a use also, I hope they will, in time, be applied.

## BANKING.—THE DUTIES OF A BANKER, AND HIS PERSONAL REQUISITES THEREFOR.\*

## PART I.

## THE BANK—OF DISCOUNT OR INTEREST.

BANKING consists, principally, in lending money at the legal rate of interest, and sometimes, under. The loans are called discounts, because the interest is paid in advance, and deducted from the amount of the note. But if a bank were to deduct seven dollars from a hundred-dollar note, payable a year after date, the bank would receive seven dollars for a loan of only ninety-three dollars. To avoid such a result, which is, probably, an excess beyond the legal rate of seven per cent. interest, the bank pays ninety-three dollars and forty-six cents for the note, because that sum, if placed on interest for a year, will become a hundred dollars, just the amount of the note. Formerly all the banks of our State would have deducted seven dollars from the note, and such a mode of computation has been adjudged in England to be legal, and has been twice thus adjudged by our Supreme Court. But several years ago, in a case before the Court of Errors, the then Chancellor stated, incidentally, that he deemed such a computation usurious. Since then all the banks in the State, except some, or all, in the City of New-York, have, from timidity or caution, adopted the modified calculation, as above exemplified, even when calculating interest on notes that are

\* This summary of banking was first published in 1849. A man who learns what will facilitate the procurement of bank loans will often be able to shape his business to the required standard, and be thus aided; loans not being dispensed capriciously or gratuitously, as some persons suppose.

to mature in two or three months. If, however, the original mode of calculating is defensible at law (some eminent lawyers insist it is defensible), the legality ought to be established by adjudication or legislation, for the benefit of the banks who refrain from that mode of computing discount, and for the safety of such as hazard the computation.\*

DIFFERENCE AMONG BANKS AS TO THE ALLOWABLE RATE OF  
DISCOUNT.

The safety-fund banks of our State are restricted, in the computation of interest, to six per cent. the year on notes and drafts that become payable in sixty days or less from the time of the discount; but what are termed free banks are permitted to take seven per cent. In the early periods of banking, when banks were located in only large commercial cities, nearly all loans were of the above short description; and as no mode of computing six per cent. discount will make the interest exceed the legal rate of seven per cent., banks took the whole of such discount in advance; hence, probably, arose the practice of deducting in advance the seven per cent. also, on loans that exceeded sixty days in duration; the question of usury being either unthought of or deemed inapplicable to such transactions. So, probably, originated the practice of computing sixty days as the sixth part of a year in all calculations of bank discounts. The computation resulted in no usury while applied to six per cent. loans, but subsequently, when, from habit or inadvertence, sixty days were called by banks the sixth part of a year, in seven per cent. calculations, and ninety days were called the fourth part of a year, all the banks of the State, about twenty-five years ago, suddenly

\* Our Court of Appeals has recently decided that interest may be taken in advance on paper which has four months to run before maturity.

discovered, by decision of the Supreme Court, founded on the computation of ninety days as a quarter of a year, that nearly all the bank securities then existing were void in law ; and at least one bank lost largely by the discovery.

THE PROFITS TO A BANK FROM ITS BANK NOTES AND  
DEPOSITES.

A bank which should possess a capital limited to a hundred thousand dollars, could lend only a hundred thousand dollars, if it possessed neither bank notes of its own creation, nor deposits of other persons' money ; hence, such a bank could gain but six per cent. the year on the capital, if its loans were made on securities that would mature in sixty days, or but seven per cent. if its loans were made on long securities. But from this six or seven per cent. would have to be deducted the salaries of the bank's officers, the rent of its banking-house, its stationery, fuel, taxes, etc., so as to leave of its income, to be divided among its stockholders, not more than from three to five per cent. the year ; a dividend smaller than the productiveness of capital in other occupations, and, consequently, destructive to the continuance of banking.

By means, however, of lending bank notes of its own creation, such a bank may be able to lend much more than the amount of its capital, and increase its profits accordingly. And if the borrowers, or other persons, will deposit with the bank a portion of their money, the bank can lend, also, some part of these deposits, and thereby enlarge further the profits of the bank. Both circulation and deposits must be paid by the bank on demand ; and the bank knows not when the payment of either may be demanded ; but so long as any bank possesses daily a sufficiency of money to pay all the deposits and bank notes

whose payment is daily demanded, the bank feels at liberty to lend on interest the excess. From the last December official returns sent to the Comptroller by the one hundred and eighty-four banks of our State, their aggregate capital, including accumulated profits, and deducting the money invested in banking houses, a little exceeds forty-seven millions of dollars, which is all loaned on interest; and in addition thereto, more than forty-five millions of their bank notes and deposits; hence we discover the benefit which banks derive practically from their bank notes and deposits.

#### BANK DIVIDENDS.

The benefit derived from circulation and deposits, though large in the aggregate, as appears above, still barely suffices to make bank capital desirable property. In January, of the year eighteen hundred and thirty-five, the then bank commissioners reported to the Legislature that "the average dividends of all the banks, during the last three years, had been  $7\frac{81}{100}$  per cent. the year, on the invested capital." The present public statements, required periodically from the banks, omit the amount of dividend which the banks pay; but no reason exists for supposing that banking is more profitable than it was at the former period, or even quite so profitable, as more competition exists than existed then. Some banks that are favorably located pay annually ten per cent. in dividends, and a few pay more; but a bank that pays eight per cent. the year will contrast favorably with the general average of banks; while the ruin which occasionally overwhelms banks, absorbing their whole capitals, evinces that the excess, if any, of bank dividends over seven per cent. the year, the legal rate of interest, is, even in prosperous banks, rarely

more than an equivalent for the hazards incident to banking; this, too, after we include in the annual dividend the exemption from taxation that pertains to the owners of bank capital;—the tax being all paid by the bank.

#### BENEFITS TO THE PUBLIC FROM THE USE OF BANK NOTES.

We shall, however, possess but an inadequate appreciation of the nature of bank notes and deposits, if we estimate them by only their lucrateness to banks. By the published bank reports of December last, the banks have loaned to the public, on private and public securities, ninety-two millions and a half of dollars, while the banks could have loaned only about forty-seven millions, had the banks not been assisted by the use of bank notes and deposits. The excess is more than forty-five millions of dollars. Twenty-three millions of this is composed of bank notes; the residue is composed of deposits. But we will assume that the amount of bank notes loaned was only twenty millions of dollars, and that the remaining three millions of them was represented by specie, which the bank notes had taken out of circulation and placed in the vaults of the banks.

Assuming, then, that the ability to create bank notes had caused the banks to increase their loans twenty millions of dollars, the public are benefited by the bank notes to the extent that the use of twenty millions of money exceeds in productiveness the interest that the banks charged therefor. That the productiveness is more than the bank interest, is demonstrable from the competition that exists for loans. They are usually deemed favors by borrowers who can give for them the most undoubted security.

Nor is the benefit of paper money confined to the borrower. It is shared variously by every person amongst

whom the bank notes are circulated; for whoever receives money receives it in exchange for his labor, or property that he values less than the money for which he exchanges it. Conceive now the rapidity with which money passes from one person to another (its use being too costly to permit any person to retain it long in inactivity), and you may approximate, remotely, to the number of persons who, during any one year, must be benefited by the twenty millions of dollars; and if you can aggregate during any such year the benefits to the borrowers, and the innumerable participants, as above, you will obtain a glimpse (greatly inadequate it must be) of the merits of bank notes, irrespective of their use to banks as a means of banking profits.

RELATIVE UTILITY TO THE PUBLIC OF THE SAFETY-FUND AND  
FREE BANKS.

Nor must we omit in our calculations as above, that the twenty millions of loans produced by the use of bank notes, can exist by no other means. Any legal prohibition of bank notes would compel banks to reduce their loans to an amount equal to the extinguished bank notes. In this connection, we may contrast, with possibly some utility, the two systems of banking which are struggling for mastery in our State; if the struggle be not already over by a tacit decision in favor of what are termed the free banks. The free banks can issue no bank notes without pledging with the Comptroller an equal amount of the public stocks of this State; while the safety-fund banks can create bank notes at no greater expense than the cost of paper and printing. The free banks, therefore, take out of circulation, for the purchase of public stocks, as much money as they subsequently are able to return in bank notes.\* That

\* Free banks can now issue bank notes on a pledge in part of real estate; and notes thus issued are not obnoxious to the above difficulty, as the real estate remains in the possession of the mortgagers, subject to its accustomed uses to society.

this theoretical view is not essentially different from the actual result, will appear by the last December bank reports. Ninety free banks exist in the State, excluding the free banks of New-York, Brooklyn, Albany and Troy. These ninety banks own an aggregate capital of six millions and a half of dollars. The capital was taken from the community in which the banks are situated, and the banks have returned it back in "loans and discounts;" and only one million two hundred thousand dollars in addition. The same district of country is occupied by fifty-one safety-fund banks, who own an aggregate capital of eight millions seven hundred thousand dollars. This sum has, likewise, been returned in "loans and discounts," with seven millions two hundred thousand dollars in addition. If, then, the above safety-fund banks should be converted into free banks, the loans to the public would, on the above principles, have to be diminished more than five millions of dollars; a diminution which exceeds one-fifth part of the whole existing "loans and discounts" of both the safety-fund and free banks in the district of country embraced in the above calculation:—namely, the whole of the State with the exception of New-York, Brooklyn, Albany, and Troy. The country, thus abridged in its means of active business, would receive no equivalent therefor in any shape, except an imagined greater security against insolvent bank notes.

#### LOSS TO THE PUBLIC FROM INSOLVENT BANK NOTES.

Legislation, on the subject of bank notes, has looked only to the evils of loss from insolvent banks. This evil will be terminated, when no bank notes can be created except on an equivalent pledge of public stocks; but the Legislature ought to inquire whether the remedy is not worse than

the disease. Possibly, if the disease be estimated by practical results rather than by declamation, (and declamation is much our habit in this particular,) each man may find, on reflection, that his loss from insolvent bank notes has been small, even without setting off against it the amount that he has been benefited by solvent bank notes. The laboring poor are the persons for whom, in this matter, commiseration is usually most eloquent; but no class of society is benefited more directly by an exuberant currency than manual laborers, and no class hazards so little by its dangers. From the danger which attends the creation of paper money, (the danger from owning bank stock,) the laboring poor are necessarily exempt. The only danger to which a poor laborer is exposed, is the casual possession of an insolvent bank note. This loss we magnify fallaciously, by saying that the loss of a dollar, when it constitutes the whole property of a man, is as great a loss to him, as the loss of a thousand dollars is to a man a thousand times richer. The fallacy of the argument becomes manifest when we estimate the respective losses by the respective power of the parties to reinstate themselves as they stood before the loss. The laboring man accomplishes this by a day's labor, while the richer man may labor a year and not accomplish a like result.

#### THE SAFETY FUND.

But while we speak in favor of the safety-fund banks, we would not be understood as speaking favorably of the safety-fund principle, which punishes honest bankers for the frauds of the dishonest. It is, also, vicious in its tendency, for it promises indemnity against bank insolvency, and thereby prevents the scrutiny of the public into the conduct of bankers; permitting extravagance, improvi-

dence, and dishonesty to unmolestedly effect their ravages. The solvent banks, who are liable to the safety fund, have paid thereto nearly two millions of dollars for losses, and are still to pay, annually, during the continuance of their charters, the half of one per cent. on their respective capitals. Of this loss, about one million and a half of dollars accrued from banks in Buffalo, of whom in particular, and of all the broken banks in a great degree, may be affirmed, that if they had been unaided by the credit of the safety fund, they never would have been trusted sufficiently to much injure any person. And could the money, abstracted by their agency from the safety fund, be traced to the real beneficiaries, it would be found in the possession, not of innocent sufferers, but mostly of accessories to the frauds and mismanagements by which the losses to the safety fund were produced.

RELATIVE LUCRATIVENESS TO BANK OWNERS, OF THE SAFETY-FUND AND FREE BANKS.

Having thus shown how our existing two systems of banking act respectively on society, we will examine how they compare in profits to the stockholders. We will assume that the free banks can issue no bank notes except on an equivalent pledge of State six per cent. stocks; and that the State stocks can be purchased at par. The legal and attainable interest of money is seven per cent.; hence, the free banks lose one per cent. the year, on the amount of all their bank notes. Some persons may say that the difference is not merely the excess of legal interest over the six per cent. received on the State stock, but the excess of what the hundred dollars which is invested in State stocks would have earned in banking—say eight per cent; and thus that the loss in procuring bank notes is one per

cent. the year in the interest and an additional one per cent. in privation of productiveness : making the real loss two per cent. the year, on the amount of bank notes. We will, however, adopt the first mode of computation, and call the loss only one per cent., when the stocks can be purchased at par.

But the stocks cannot be thus purchased. They are selling at a premium of ten per cent., which makes the loss of interest one dollar and seventy cents the year on every hundred dollars of bank notes, without allowing for the ultimate loss of ten per cent. on the stock, when it comes to be paid off at par by the State. We shall not, therefore, be extravagant in assuming that the free banks lose one and three-quarters per cent. the year on the amount of their bank notes ; while the safety-fund banks create bank notes without any loss, except the half per cent. the year, paid on their aggregate capitals to the safety fund, and now a total loss. This reduces the comparative disadvantage of the free banks to one and a quarter per cent. the year on the amount of their capital invested in bank notes. By the published bank reports of last December, all the free banks of the State (excluding those of New-York city) possessed an aggregate capital of a little more than seven millions and a half of dollars, while the bank notes were equal to that sum, with the exception of about four hundred thousand dollars ; so that the free banks out of the city of New-York were (so far as our hypothesis is applicable to them) banking at a disadvantage, as compared with the safety-fund banks, of one and a quarter per cent. the year, on nearly their whole capitals.

#### FREE BANKING IN NEW-YORK.

The free banks of the city of New-York are differently

circumstanced. Their aggregate capital in December last was \$7,148,710, while their bank notes amounted to only \$1,745,250. In the city, therefore, the free banks pay annually one and three-quarter per cent. for their bank notes—say, . . . . . \$30,540

And gain, by exemption from the safety fund, half per cent. the year on their capitals, say, . . . 35,743

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Leaving an annual balance in favor of free banking in the city of New-York, . . . \$5,203

Besides the further benefit of being able to charge seven per cent. the year interest on loans, of sixty days and under, while the safety-fund banks can charge only six per cent. This source of benefit is enjoyed also by the country free banks, and, to the extent of its availability, will mitigate the assumed loss of free banking in the country. In large cities like New-York, the difference between six per cent. and seven, on short loans, must produce a gain to the free banks of at least a quarter of one per cent. on the whole of their bank capital, and, possibly, much more; for such paper is abundant in cities. If, therefore, we credit the free banks of New-York city with the above advantage, in addition to the advantage already shown to exist in their favor, we shall see that in the city free banking is more lucrative than safety-fund banking; burdened as the latter is with a safety-fund tax of a half of one per cent.

If, however, the free banks of the city employ a smaller amount of bank notes in loans than they would employ if they could create bank notes without expense, as the safety-fund banks create them, a consequent loss to the city free banks must be estimated before we can settle accurately the relative lucrativeness in the city of the two

systems of banking. But banking in the city is so largely transacted on deposits, that the amount of the above supposable loss is, probably, much too small to counteract the preponderance of benefit which belongs there to the free banks.

RELATIVE EFFECTS ON CITY AND COUNTRY CAPITALISTS OF  
THE SAFETY FUND AND FREE BANK SYSTEMS.

To the bank stockholders, therefore, the free bank system is rather more lucrative in New-York city than the safety-fund system with its existing burdens, while in other parts of the State the free bank system is less lucrative, by about one per cent. the year on the invested capital, than the safety-fund system. City capitalists, therefore, possess, in the business of banking, an advantage over country capitalists.

RELATIVE EFFECTS ON CITY AND COUNTRY COMMERCE OF THE  
SAFETY-FUND AND FREE-BANK SYSTEMS.

Let us now inquire what portion belongs to the country and what to the city, of the public loss which will result, as we have shown, when no bank notes can be created except on an equivalent pledge of public stocks. By the bank statement of last December, the bank loans, founded on bank notes, are about three dollars in the country to every one dollar in the city; so whatever injury may result from the extinguishment of safety-fund bank notes, the injury will fall on the country, in the proportion of three dollars on the country to every dollar of injury on the city. The customers of the city banks live near the banks, and consequently employ but few bank notes; checks, founded on deposits, being substituted in the city for bank notes in nearly all business transactions. In the country, the bank borrowers employ the borrowed money at places re-

mote from the lending bank, and must use bank notes. The country, therefore, and the city are interested in very different degrees by all laws which abridge the free issue of bank notes ; but should the Legislature prohibit bank deposits, except on a pledge by banks of State stocks, the law would embarrass the business of the city, beyond its embarrassment to the country, in just about the same proportion as such a law in relation to bank notes embarrasses the business of the country beyond its embarrassment to the city.

DIFFERENT LEGAL PRIVILEGES ACCORDED TO DIFFERENT  
SAFETY-FUND BANKS.

Originally, every safety-fund bank was permitted to issue bank notes to three times the amount of its capital ; but in cities, where large banks are needed, business is transacted principally by means of deposits ; hence a New-York two-million bank soon found that its ability to issue six millions in bank notes was a useless privilege. But in the country, where banks are small, in accordance with the smallness of inland dealings, business is transacted principally with bank notes ; hence a hundred-thousand-dollar country bank found that it could occasionally employ more than its allowable issue of bank notes. From this development of practice, the Legislature abrogated the useless ratable equality that existed in the allowable issue of bank notes, and permitted a two-million bank to create only twelve hundred thousand dollars of bank notes, while a hundred-thousand-dollar bank was permitted to issue a hundred and fifty thousand dollars in bank notes. The bank note issues of intermediate magnitudes of capital were graduated by the above proportions. The advantage is still largely on the side of the two-million bank ; for its legal

limit is much above its wants, while the limit on the small bank is often a practical abridgement of its business. The two existing two-million banks of New-York had together last December only four hundred and sixty thousand dollars of bank notes in circulation; and as nothing but their own wishes prevented them from issuing more, we must infer that they desire no greater issue.

#### THE CURRENCY.

On the ninth of last December, the one hundred and eighty-four banks of our State owed individual depositors . . . . .	\$29,205,332
Their bank notes in circulation amounted to	23,206,289
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Making the aggregate of indebtedness, payable on demand, . . . . .	\$52,411,621
Of which aggregate the banks had loaned on public and private securities . . . . .	45,209,372
<hr/>	
Being the whole, with the exception of	\$7,202,249
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This seems bold; but if the money has been so loaned that it can be recalled by the banks respectively as fast as they are respectively called on to pay the deposits and bank notes, the apparent boldness will subside. The banks possess another reliance. They have loaned not only the above deposits and bank notes, . . . . . \$45,209,372 but also the capitals of the said banks, say, 47,333,879

Making a total of loans on public and private securities of . . . . .	\$92,543,251
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The banks are therefore safe if they can recall enough daily, out of the above enlarged aggregate, to meet the daily returning bank notes, and the daily withdrawn depos-

ites. This theoretical ability of the banks is strengthened by experience, which shows that the aggregate amount of bank deposits and bank note circulation varies but comparatively little from day to day, and even from month to month, and from year to year; for, though bank notes are continually being returned to banks for payment, they are continually paid out again as money; and though deposits are continually being drawn out by depositors, they are continually returned as new deposits.

THE CURRENCY OF THE STATE IS A SORT OF MEASURE OF THE  
BUSINESS OF THE STATE.

The small variation in our State from month to month in the aggregate amount of bank circulation and deposits, evinces that the commerce of the State employs the given amount of circulation and deposits. They constitute the currency of the State; for usually the other items of currency (specie and foreign bank notes) are small in comparative amount. Commerce cannot ordinarily expand without an expansion of the currency, nor can either contract without a contraction of the other. And we may all have experienced, that business is more usually contracted from inability to obtain currency, than currency is contracted from diminution of business. A proof of this is the expansion, apparently illimitable, that gradually occurs in business whenever banks become able to expand the currency.

THE BUSINESS OF THE STATE IS A SORT OF GUARANTEE TO  
BANKS FOR THE PERMANENCE OF A GIVEN AMOUNT OF  
CURRENCY.

The connection which thus exists between business and currency constitutes a practical guarantee to the banks

that all their bank notes will not be suddenly returned for payment, nor all deposits be withdrawn. Except for this guarantee no banker would dare to issue bank notes beyond the amount of his specie in bank, or to lend any portion of the money that he holds in deposit. If we examine the magnitude of the currency of our State when money is said to be scarce, and compare it with the magnitude that exists when money is said to be abundant, the difference will be small, thereby showing that the guarantee above alluded to is potent. The currency will occasionally suffer a diminution that may distress *bankers*, but the great bulk of it must be as permanent as the business operations of men.

A SURPLUSAGE OF CURRENCY CAN NEVER EXIST LONG.

Neither bank notes nor bank deposits can exist long in excess, for some persons are paying interest for them to the banks; for example, the public, last December, owed the banks more than forty millions of dollars beyond the aggregate of all the deposits and bank notes; consequently an extinguishment of this indebtedness furnishes a use for all existing bank notes and deposits: a use equal to say seven per cent. the year on the whole sum; hence the extinguishment of the currency by the payment of bank debts becomes a sort of safety-valve, through which the currency vanishes during any diminution of existing business pursuits. "Dust thou art, and unto dust thou shalt return," is not more applicable to the human body, with reference to the earth, than to bank currency with reference to bank loans. The currency originates with bank loans; and by the repayment of the loans the currency becomes extinguished. We accordingly find when business is technically dull—that is, when men cannot use currency at a sufficient profit

to pay the bank seven per cent. interest thereon, the aggregate diminishes daily by voluntary payments made to the banks by their debtors. At such times the Bank of England reduces its rate of interest; for though no existing business may justify the payment of seven per cent. the year on loans, business may exist that will justify the payment of six per cent., or five or four. By thus periodically graduating the rate of bank interest by the contemporaneous profitableness of the employment of money, the bank of England keeps its aggregate amount of loans as high as it desires.\*

THE EXTINGUISHMENT OF BANK CIRCULATION AND DEPOSITES,  
AND THE EXTINGUISHMENT OF DEBTS DUE TO BANKS, PRE-  
SERVE A PRETTY UNIFORM EQUALITY.

The daily payments to all the banks of the State, come naturally to be about equal in amount to the aggregate daily redemptions by the banks of their bank notes and bank deposits. In the production of this equality the banks sometimes act compulsorily on the public, sometimes the public act compulsorily on the banks. When bank debtors pay voluntarily their bank loans, they compulsorily extinguish bank notes or bank deposits to the extent of the loans paid; but when banks exact a reduction of bank loans, the banks compel the extinguishment of bank notes and de-

\* Borrowers may often be found for money when the loan is to continue for several months; while no borrowers may be willing to take money on loans for short periods. The Bank of England accordingly extends the duration of its loans, as well as reduces its rates of interest, when borrowers are not sufficiently numerous. But loans for short periods are alone desirable to banks, for a bank knows not when its currency may return for redemption, and hence cannot safely loan for long periods. The duration of bank loans comes naturally to be graduated by the time that ordinarily intervenes between the issue of currency by banks, and its return for redemption and extinction. The period of return varies with different employments of currency, and in different localities, but the period is rarely so long as to enable banks to extend the duration of loans beyond a few months, especially with the facilities which exist now everywhere for the return of bank notes to the bank that issued them.

posites to the extent of the reduction. Both calculations assume that the bank loans are paid with bank notes or deposits, for specie constitutes too small a portion of the currency of the State to vary much the general calculation.

#### SPECIE PAYMENTS.

The last December bank reports show that the banks of the State owe, in circulation and deposits, nearly fifty-two millions and a half of dollars, payable on demand, in specie; while the specie in all the banks is not quite seven millions of dollars. To an inexperienced observer, nothing seems wanting to the destruction of banks thus circumstanced, but some casual run on them for specie. Indeed, a sort of vulgar error exists in relation to the importance of specie to the currency of bank notes, and even to the ultimate value of both bank notes and bank deposits. Bad indeed, and fallacious indeed, would be both bank notes and deposits, if their currency or value depended on the amount of specie owned by the banks at any given moment. Of the fifty-two millions in bank notes and deposits, due from the banks last December, the true basis of value was the ninety-two millions and a half in debts due to the banks, which, with the seven millions in specie, made together ninety-nine millions and a half of dollars, wherewith to pay the fifty-two millions of deposits and bank notes. For all purposes of solvency the banks, therefore, possessed ninety-nine millions and a half of specie—seven millions of it in the vaults of the banks, and ninety-two millions and a half in the pockets of the people.

#### SPECIE SUSPENSIONS.

But as the fifty-two millions due from the banks in deposits and bank notes are payable on demand, while the

ninety-two millions due to the banks are payable in only daily portions, the whole not collectable under some months, the banks may be called on for payments faster than the bank debts will become payable, and a suspension of specie payments may ensue, notwithstanding the assistance which the banks will derive from the possession of seven millions in specie at the commencement of the struggle. Our State has experienced three such suspensions, but no abatement of avidity by the public was produced thereby, in the desire to procure bank notes and bank deposits. They continued as valuable as ever for the purpose of currency, and were less valuable than specie only when specie was wanted for some other purpose than for currency within our State.

#### SUSPENSION OF SPECIE PAYMENTS BY A SINGLE SOLVENT BANK.

The inherent value of bank notes and bank deposits, independently of their convertibility on demand into specie, is best seen, when a single solvent bank suspends specie payments. Within a circuit of country occupied by the debtors of the bank, its notes and deposits will continue to be current as long as the debts daily becoming due to the bank continue to be equal in amount to the bank notes and deposits that will be daily seeking redemption. Suppose, however, that the debt which you may owe the bank will not become payable under four months, still notes and deposits to the amount of your debt will possess a value to you equal to specie, less the interest for the four months; hence, if the bank possess good debts equal in amount to its notes and deposits, such notes and deposits can, intrinsically, depreciate in value only to the amount of such interest—nor will the deposits and notes depreci-

ate intrinsically to that extent, if the bank shall be sufficiently solvent to eventually pay its notes and deposits with interest superadded, according to the requirement of law.

#### LEGAL TENDER.

The Bank of England suspended specie payments continuously during twenty years, and its notes and deposits retained the value of specie except where gold and silver were needed for other purposes than domestic currency. Some persons attribute the result to an act of parliament, by which costs could not be recovered in a legal prosecution against a debtor who tendered payment in notes of the Bank of England. No law, however, can confer a value on insolvent paper money, except as the law may act on pre-existing contracts. The law may, indeed, forbid you from refusing to receive the money on new contracts, but you will enter into none. The experiment was tried during our Revolutionary War, and it was tried subsequently by France, but prices for all salable property increased continually, as the supposed actual value of the paper decreased.

#### RECEIVABLES AND TREASURY NOTES.

During our specie suspension of the year 1814, the value of paper money was well illustrated by the origination of a new species of bank note, which, instead of promising to pay, promised to *receive* the note in all bank payments. The notes were called receivables, and they circulated as readily as specie in the vicinity of the issuing bank, so long as the bank restricted the emission within the amount needed by the bank debtors of the vicinity. The same principle is apparent in the treasury notes emitted occasionally by the Federal Government, and bearing no inter-

est. The notes are receivable for duties, and all other governmental payments, and this receivability confers a specie value as currency on such notes, to the amount of several millions of dollars scattered over the Union. Occasionally the notes accumulate in New-York faster than they can be used in governmental payments, and then they sell at a discount which is graduated in degree by the time that will elapse before the notes will be needed in payments to Government. The currency of such treasury notes, despite their inconvertibility into specie, is often attributable to the known solvency of the Government ; but no considerations are necessary to the currency of the notes but a consciousness that the notes will immediately, or shortly, supply a use for which specie will otherwise be needed.

#### A NATIONAL CURRENCY.

The Bank of England, possessing a capital of many millions of pounds sterling, invested in short loans to bankers and merchants, and being the recipient of all the governmental moneys that accrue from taxes, duties, excise, &c., could circulate as specie any notes that the bank would receive. But the notes which the bank issues being payable on demand, in specie, the bank is compelled to subordinate the amount of its bank note currency, and, consequently, the amount of its loans, to the fluctuations that occur in the demand for specie, how disastrously soever the subordination may affect the internal commerce of the kingdom. In place of its present notes, were the bank to substitute a currency like the receivables of which we have been speaking, gold and silver could be exported or imported according to the requirements of commerce, without any consequent derangement of business. Such

a currency would be as expansible, at all times, as the business requirements of the country ; and without losing, intrinsically, its ultimate specie value, since every debtor of the bank would be holden to pay his debt in specie, to the extent that he could not procure the notes of the bank. The responsibility of procuring specie rests now on the bank ; the responsibility in the other system would rest on the bank's debtors. We cannot, however, avoid seeing that the bank might issue so large an amount of notes that an excess might be occasionally produced beyond the quantity that could be kept at par value by the foregoing processes. The depreciation might be illimitable in its degree, should the bank augment illimitably the excess of currency. Possibly, therefore, the power to create such a currency cannot be safely committed to any institution without hazarding greater evils than result from the existing system of paper money, notwithstanding its sudden contractions on a foreign demand for specie.

#### EXPANSIONS OF THE BANK NOTE CURRENCY.

Having thus considered the nature of paper money, we will consider the principles by which its volume is regulated, when a power exists, as in safety-fund banks, to expand at will the currency within a given limit.\* When country products sell at unusually high prices, the purchase of them employs a greater amount of money than when

\* This expansibility to meet the wants of commerce, makes the safety-fund banks more useful than the free banks. As relates to deposits, both kinds of banks possess an equal expansibility. The expansibility of a bank note currency renders such a currency better, as a commercial instrument, than a currency wholly of specie, whose unexpansibility would constitute a great practical check on competition and on enterprise generally. A specie currency is not, however, wholly unexpansible. We experienced this in the late famine in Ireland. Specie was sent from England to purchase our breadstuffs ; but an expansibility from such a source is slow ; and it can occur only in emergencies of international commerce, not in emergencies of domestic commerce, except in countries where specie is hoarded by individuals.

the articles sell at low prices. High prices proceed usually from some extraordinary demand for the appreciated articles, and the extraordinary demand increases the number of the purchasers, and the frequency of sales and re-sales; all which augment the amount of money that purchasers of produce borrow from the banks. Besides, as the price augments of any article, the area enlarges over which purchasers extend their operations, creating thereby new applicants for bank currency.

#### THE SPIRIT OF SPECULATION IS CONTAGIOUS.

Every marketable article is subject to an increased action like the above, and after speculation is aroused it becomes contagious, so that speculators multiply fast; and though the original purchases may be limited to wheat, all other species of grain soon become added thereto, and other articles of a different nature. In the year eighteen hundred and thirty-seven, every man and woman became infected with a desire for the unoccupied lands of the United States, and millions of dollars in bank notes were borrowed from banks and sent to Michigan, Ohio, Illinois, and other places where the coveted lands were situated. City and village lots, any where, soon were purchased with like avidity, and the purchases undergoing an incessant activity of sale and re-sale, vast amounts of new currency were created for the occasion.

#### EXPANSION OF BANK DEPOSITES.

The operations which produce in the country an expansion of the bank note currency, produce in cities an expansion of bank deposits. These became accordingly, in 1837, as unusually expanded in amount as bank notes. Banks readily encourage expansions, because bank profits

are thereby augmented, nearly every dollar of the increased bank notes and deposits being represented by some loan made on interest by the banks.

#### CONTRACTION OF THE CURRENCY.

The currency of the State is liable to an ebb as well as a flow in the amount of the aggregate, and as respects each bank's particular share thereof. Our State possesses one hundred and eighty-four banks, and each bank, as a sort of independent sovereignty, guards vigilantly its own interests, by endeavoring to obtain for itself as many deposits as it can, and as large a share as it can of the aggregate bank note circulation of the State; hence, when bank A receives in payments or deposits notes or checks of bank B, they are speedily sent to bank B for redemption. Every bank is a heart from which are continually flowing its bank notes, borrowers and depositors acting as arteries to distribute the bank notes through all the business ramifications of the State; while every other bank is a vein that is incessantly absorbing the said bank notes, and returning them to the bank from which they originally emanated. Some of the notes of every bank are returned to it through the agency of brokers, who, like separate and peculiar absorbents, soak up, by purchases at a small discount, bank notes which have been casually carried out of their proper sphere of action, and thereby become a sort of merchandise more or less depreciated in value, as the notes have wandered from home, and lost their properties as currency.

#### PERIODICAL CONTRACTIONS.

To carry further the analogy between the circulatory systems of banks and of the human body, banks are, as well as men, subject to an occasional rush of blood to the

head. The disease is prevalent with banks in the spring and fall. Country merchants resort then to New-York for their mercantile supplies, and take thither country bank notes, which they have intermediately accumulated from their customers and debtors, every merchant drawing also from his depositing bank all his deposits, and borrowing from the banks to the extent that loans are attainable. When he arrives at New-York, any part of his money that is current at the city banks, soon flows thither, while the part which is uncurrent flows to the brokers; and brokers and banks, with the utmost speed of railroads and steamboats, send the country money home for redemption.

#### PRESSURE CONTRACTION.

The contraction just referred to is almost peculiar to inland banks, but the Atlantic banks are subject to a contraction that rarely affects extensively the interior, and is consequent to a demand on the Atlantic banks for specie, whether the specie is to be exported to Europe, or paid into the sub-treasury, or to be used for any other purpose. In December last, the New-York city banks possessed less than six millions of dollars in specie; while they were liable to be called on for rather more than twenty-seven millions in payment of bank notes and deposits, besides some nine millions in payment of debts due banks and other corporations. To be thus liable was not peculiar to last December. The position then may be esteemed something better than a fair average of the usual condition of the city banks. Nor is the position bad, the banks possessing a claim on their debtors to the amount of forty millions and a half of dollars in discounted notes, besides some seven or eight millions of dollars in other securities.

But the banks are liable primarily, and if specie is demanded from them to the extent of even a half a million of dollars, the banks become sensitive, and severally endeavor to strengthen themselves by refusing to lend, and by exacting payments from their debtors. Now, as all the current money of the city is composed of the bank notes of the city banks, and of deposits in the said banks, all the loans that bank A can call in, will be paid in some of the aforesaid currency ; consequently, so far as the payments strengthen bank A, they impoverish banks C, D and E. But C, D and E were too poor already, and were severally endeavoring to strengthen themselves the same as bank A was endeavoring to strengthen itself ; hence, C, D and E will call on their debtors more stringently than before, and their efforts will impoverish A in the same way as the efforts of A impoverished C, D and E.

#### PANIC.

The struggle just described must, as it proceeds, increase in intensity with a sort of compound progression ; and as each bank in recalling its loans looks only to its own safety, each bank is practically impoverishing the others to the extent of its power. But the consequences of the struggle are not confined to the banks. The currency (bank notes and deposits) being thus suddenly diminished in amount by the payment of bank debts, enough is not left to transact the usual business of the community. Money is said to become scarce. Property on sale cannot be readily sold, and with the diminution in the number of competing purchasers, prices languish and fall. Many persons who have depended on borrowing to meet accruing engagements are unable to borrow, and are compelled to suspend payments. In this category will be some merchants who have lived

expensively, and been deemed rich, though actually long insolvent, and kept from bankruptcy by only an ability to pay old debts by contracting new ones. Still they have been deemed as safe as other debtors; and men begin to query, whose insolvency may not follow next, especially as every failure involves other failures of endorsers and creditors. A new element, panic, is introduced into the pressure; and persons who have money to lend keep it unemployed until the storm subsides; and thus the last resource of embarrassment—the resource technically termed “the street,”—where notes can ordinarily be sold at a usurious discount—is closed against the needy, except at rates of discount so enhanced by avarice and fear as to engulf nearly the whole principal of any proposed loan, and thus defeat the motive for the sacrifice. The very day-laborers, journeymen-mechanics, and market people will sometimes become infected with the panic, and add to the general trouble by a petty run on the banks for specie, in liquidation of small deposits, or the payment of small bank notes.

#### THE PRESSURE REACHES THE INTERIOR.

While pressure and panic thus ravage the metropolis, the banks of the interior, who at first are mere spectators of the struggle, begin to partake of the metropolitan distress. While money is plenty in the city, a portion of its currency consists of the notes of country banks, which are employed in ordinary occupations to avoid the expense attendant on their transmission home for payment; but when the pressure enhances the value of money, country bank notes are sold, and transmitted home, in unusual quantities, for redemption. Nor is this the only intimation to country banks of the commotion in the city. The merchants of

the country who are indebted to the city are strongly importuned by the city creditors to make speedy or even anticipated payments ; and debts already due can receive no further postponements. While country banks are weakened to the extent that these requirements are complied with, the resources of the country banks are often sadly diminished in those moments of unusual need, by the return unpaid of many New-York acceptances, on whose payment the country banks have relied for funds. The country banks can now no longer furnish loans, but begin to require payment from their debtors ; and thus bring on in the country a mutual struggle of bank A against bank B, in the way we have represented the struggle in the city.

#### THE PRESSURE AND PANIC TERMINATE.

Every pressure in New-York will not rage to the extent we have described, nor will every city pressure extend into the country ; but when a pressure is commenced, it rarely is arrested till business is greatly diminished, and, comparatively, little currency is required to conduct it. Exportable produce in the meantime becomes so reduced in price that it may be exported more advantageously than specie in the liquidation of foreign balances. Importers have also abridged their foreign orders, in accordance with the diminished prospects of a profitable trade. Specie becomes no longer in demand ; and the banks cease from urging payment of bank debts, and gradually begin to resume the process of lending. Business men foresee now that money will soon become abundant. They wish to purchase while prices remain at the panic and pressure standard. All entertain the same views. Competition revives, prices advance, the banks lend freely to indemnify themselves in profits for the late period of abstinence. A new expansion

is begun, to end at some future day in another contraction, another pressure, and, perhaps, another panic.

#### THE SALE OF EXCHANGE.

Notes of New-York city banks are, in all parts of the State, equal in value to specie, by reason that persons in all parts are debtors to the city. Indeed, so much of the money of the State is required for uses in the city, that country banks can generally satisfy any demand for specie by a payment of the demand in bank notes of that city, or in a check upon some New-York bank ; so that the burden of maintaining specie payments in our State rests wholly on the banks of New-York. Their currency is the standard in our State of par value, and by it we graduate the currencies of all other places in the State and out. Even during the various suspensions which we have experienced of specie payments, the currency of the New-York city banks has continued to be the standard of par value ; and when the city currency has been less valuable than specie, the specie has been deemed above par, instead of the currency being deemed below par. People are often willing to allow a country bank a premium of half of one per cent., and sometimes more, for a draft of the bank on New-York, especially as every country bank will receive in payment of the draft notes of remote banks, on which the holder could not obtain the specie without much travel and expense. The draft can be transmitted by mail, and its transmission by any mode of conveyance is, from the legal nature of negotiable paper, less hazardous than the transmission of bank notes, to say nothing of the exemption produced by the draft from the expense which attends the transportation of specie in large amounts. The selling of drafts on New York becomes therefore one of the regular

sources of profit to country banks, as well as of convenience to men of business; and every country bank keeps funds there, and keeps funds in Albany, Boston, or other places, for the purpose of selling drafts thereon at a premium when the business of its vicinity makes drafts on such places desirable.

#### COLLECTIONS WITHIN THE STATE.

The principle which makes a merchant at Buffalo purchase, at a premium of one per cent., a draft on New-York, will make a merchant at New-York sell, at a discount of one per cent., a draft which he may own payable at Buffalo. Banks, accordingly, charge a discount varying in magnitude of rate according to distance, and other circumstances, when they give money to any person on drafts payable at remote banks. The charge is intended to remunerate the bank for its expense and trouble in procuring the payment of such drafts. The discount is, however, usually given, not on drafts payable at sight, but on notes and drafts payable at some future period, the bank charging interest for the unexpired time, and commission for collecting the money at a distant place.

#### COLLECTIONS OUT OF THE STATE.

The collections just described are usually but small sources of profits. Some banks refuse the business wholly. But the banks in New-York are said to transact such business largely, with paper payable in Philadelphia, Baltimore, Boston, and other large cities of the Union, and of Europe—a description of paper which the commerce of New-York makes abundant in that city. In loaning money on such paper, banks allow nothing to the holder when the rate of exchange happens to be in favor of the place where the paper is payable; but this rule is not applied to European

drafts, on which the difference of exchange is usually large. In paper on Philadelphia, and other large cities of our Union, the rate of exchange is generally in favor of New-York; hence the banks of New-York, in lending money on such paper, rarely receive any benefit from the rate of exchange, except as they may charge a percentage for collection, in addition to the interest on the money loaned. The charge for difference of exchange between any two commercial cities will vary naturally at different periods; but the multitude of collecting agencies which exist keep down the charge at all times to the lowest limits of reasonable remuneration. Still, the business constitutes one of the phases of banking, and it completes the summary herein proposed of banking operations.

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## PART II.

### THE BANKER—THE OBJECT OF BANKING.

Correct sentiments beget correct conduct. A banker ought, therefore, to apprehend correctly the objects of banking. They consist in making pecuniary gains for the stockholders, by *legal operations*. The business is eminently beneficial to society; but some bankers have deemed the good of society so much more worthy of regard than the private good of stockholders, that they have supposed all loans should be dispensed with direct reference to the beneficial effect of the loans on society, irrespective, in some degree, of the pecuniary interests of the dispensing bank. Such a banker will lend to builders, that houses or ships may be multiplied; to manufacturers, that useful fabrics may be increased, and to merchants, that goods may

be seasonably replenished. He deems himself, *ex officio*, the patron of all interests that concern his neighborhood, and regulates his loans to these interests by the urgency of their necessities rather than by the pecuniary profits of the operations to the bank, or the ability of the bank to sustain such demands. The late Bank of the United States is a remarkable illustration of these errors. Its manager seemed to believe that his duties comprehended the equalization of foreign and domestic exchanges, the regulation of the price of cotton, the upholding of State credit, and the control, in some particulars, of Congress and the President—all vicious perversions of the interests of his stockholders to an imagined paramount end. When we perform well the direct duties of our station, we need not curiously trouble ourselves to effect indirectly some remote duty. Results belong to Providence; and by the natural catenation of events (a system admirably adapted to our restricted foresight), a man can usually in no way so efficiently promote the general welfare as by vigilantly guarding the particular interests committed to his care. If, for instance, his bank is situated in a region dependent for its prosperity on the business of lumbering, the dealers in lumber will naturally constitute his most profitable customers; hence, in promoting his own interests out of their wants, he will, legitimately, benefit them as well as himself, and benefit them more permanently than by a vicious subordination of his interests to theirs. Men will not engage permanently in any business that is not pecuniarily beneficial to them personally; hence a banker becomes recreant to even the manufacturing and other interests that he would protect, if he so manage his bank as to make its stockholders unwilling to continue the employment of their capital in banking. This principle, also, is illustrated by the late United

States Bank ; for the temporary injuries which its mismanagement inflicted on society are, though stupendous, a smaller evil than the permanent barrier its mismanagement has produced against the creation of any similar institution.

THE PECUNIARY PROSPERITY OF HIS BANK SHOULD CONSTITUTE  
THE PRIMARY OBJECT OF THE BANKER.

From the foregoing remarks, the honor and pecuniary prosperity of the bank should constitute the paramount motive of every banking operation. A violation of that principle produced, in the year eighteen hundred and thirty-seven, a suspension of specie payments. The banks suspended, that the debtors of the banks might not suspend ; or worse, the banks suspended, that the debtors might be spared the pecuniary loss that would have resulted from paying their bank debts. A conduct so suicidal was probably fostered by the pernicious union in one person of bank director and bank debtor—a union from which our banks are never wholly exempt ; nor are they always exempt from the same union, still more pernicious, in bank presidents and cashiers. With this inherent defect in the organization of our banks, we can the more readily understand why the banks assumed dishonor to shield their debtors, and why the dishonor was continued for more than a year in our State, and longer in others ; and would have continued longer in ours but from a refusal of its further tolerance by the Legislature. The said defect produced all three of the specie suspensions which the banks of our State have suffered. As a prelude to each suspension, the Atlantic cities held enthusiastic public meetings, in which suspension was recommended to the banks ; and the recommendation enforced by the assurance that the meetings would sustain the banks in assuming a

suspended position. What a farce!—what a “thimble-rig!” Such meetings were composed of bank debtors, and meant, substantially: suspend payments, that you may leave in our possession the money that we owe you;—assume dishonor, that we may remain honorable.

SPECIE SUSPENSIONS ARE NEVER NECESSARY TO BANKS.

Altho the suspensions of specie payments might have been prevented had the bankers performed their duty to their respective banks, by vigor in the enforcement of payments. Witness the successfully-sustained refusal of the Union Bank of New-York to unite in the specie suspension of the year 1813. All the banks, also, of New England preserved specie payments. We admit, that had all the banks of the Union refused to suspend payments in 1813, 1819, and 1837, business would have severely suffered; but this is a consideration for the Legislature, and not for the banks. They are creations of the law, and should obey their creator. In England, during its struggle with Napoleon, the Government prohibited specie payments by the Bank of England, when the suspension was deemed publicly useful. The suspension continued for twenty years; but the bank incurred thereby no disgrace, for it obeyed the law.

THE INTERESTS OF DEBTORS AND DEALERS SHOULD BE SUBORDINATED TO THE INTEREST OF THE BANK.

The subordination of the honor and interests of a bank to the avarice or necessities of its managers, or dealers of any description, is productive, not of suspensions only, but of every disaster which usually befalls banks; and unless such a subordination can be prevented by the officer who acts specially as banker, no man who respects himself should continue in the position, when he discovers that

such a subordination is in progress. The owner of a steam-engine regulates its business by the capacity of his engine; but should he regulate it by the necessities of his customers, he would probably burst his boiler. A ship-owner regulates his freight by the tonnage of his ship; a contrary course would sink it. So every bank possesses a definite capacity for expansion by which bank dealers can regulate their business; but when a bank regulates its expansion by the wants of its dealers or the persuasion of friendship, it will probably explode, or be otherwise unprofitable to its stockholders.

#### SECURITY.

Banks charge for the use of money no more than the use is worth. Nothing is added for risk; and thereby money-lending differs from all other business that involves hazard. A great disproportion exists also between the amount hazarded by any loan and the amount gained therefrom. The loan of a thousand dollars for sixty days involves the possible loss of a thousand dollars, without the possibility of a greater gain than some ten dollars. Banks, therefore, never lend money regularly without receiving undoubted security for the debt; and a good banker will err on the side of excessive security, rather than accept security whose sufficiency may be questioned.

#### MORAL SECURITY.

Independently of the wealth of an endorser, the banks derive from him a security founded on the natural desire of every borrower to protect his friends, should insolvency occur to the borrower during the pendency of the bank loan. An endorser will, also, usually foresee earlier than the bank when mischances threaten the borrower, and

when appeals for protection should be made. To derive these benefits from endorsers they should be disconnected in business from the borrower, so as not to be involved in his calamities ; hence such disconnection is always one of the circumstances from which a banker judges of the sufficiency of any proffered endorser. Relationship, of either consanguinity or affinity, between a debtor and his sureties, sharpens, usually, the desire of the debtor to protect his endorser ; while again, such relationship facilitates the concealment of a common pecuniary interest in enterprises, and facilitates collusions against the bank in times of disasters, that may more than counterbalance the benefits expected by the bank from the relationship.

#### SECURITY FOUNDED ON THE MORALITY OF A DEBTOR.

The more lax the morality is of a borrower the less will he probably feel the obligation to protect his endorsers ; and the more lax the morality is of an endorser, the more will he struggle against a surrender of his property to pay an unprotected endorsement. As a general result, however, debts are rarely collectable from the property of an endorser, unless his property greatly over-balances the amount of his endorsement. Instances are continually occurring where an endorser who has become liable for a bad debt, which his property could pay, and leave him a surplus, will ruin himself in successfully preventing the application of his property to the debt in question. Hence, when a debt is contracted wholly on the property of the endorser, the debt will not be safe unless it is small in comparison with the wealth of the endorser.

#### SECURITY FOUNDED ON THE HABITS OF A DEBTOR.

Men who are prone to extravagance in their domestic or personal expenditures rarely possess the amount of prop-

erty they are reputed to possess. Men expend to be thought rich more frequently than they expend by reason of being rich. The rich are usually more inclined to parsimony than expenditure. Any way, persons who practice parsimony are in the way of becoming rich, whatever may be their present poverty ; while persons who are profuse in expenditures are in the way of becoming poor, though they may possess a present opulence.

#### SECURITY FOUNDED ON THE NATURE OF A MAN'S BUSINESS.

A man who transacts a regular business, in a regular way, is not liable to sudden fluctuations in his pecuniary solvency ; but when a man's business is novel, and its results are untried, or when such business is frequently disastrous, the banker who grants him loans assumes some of the hazards and uncertainties of the business.

#### SECURITY FOUNDED ON THE APPLICATION OF THE LOAN.

When money is to be invested in the purchase of merchandise, cattle, flour, or other property, in the regular course of the borrower's business, the investment yields to the borrower a means of repayment : nothing is hazarded but ordinary integrity, and ordinary exemptions from disasters ; but when the borrowed money is to pay some preëxisting debt, none of the foregoing securities apply, and, possibly, you are merely taking a thorn out of another person's side to place it in your own.

#### SECURITY FOUNDED ON THE CHARACTER OF THE PAPER THAT IS TO BE DISCOUNTED.

Notes which a man receives on the sale of property in his ordinary business are termed business notes. The owner having received them as money, had satisfied himself of their safety ; hence, when they are offered to a

banker by a prudent man of business they possess an inherent evidence of value. They were given also for property that will, in the ordinary course of business, furnish the means by which the notes may be paid ; and thus they possess an additional ingredient of safety. Kindred to such notes are drafts which a man draws on a consignee to whom property has been forwarded for sale. If the consignee be a prudent man (the consignor must deem him prudent or he would not trust to him the property), he will not accept, unless the property forwarded is equivalent in value to the amount of the acceptance. The property, therefore, will pay the acceptance ; and while the property remains unsold it constitutes an equitable pledge for ultimate payment. A country banker, however, will usually be benefited in a long course of business, by never loaning on city names without a reliable country endorser or maker, or both ; for nothing is usually more unreliable than the reputed solvency of the merchants of large cities.

#### ACCEPTANCES IN ADVANCE OF CONSIGNMENTS.

A factor will sometimes accept in confidence that the drawer will supply him with funds in time to pay the acceptance. This will not constitute a worse security than an ordinary accommodation endorsement ; but the transaction lacks the reliability and security that are consequent to the acceptor's possession of consignments in advance of his acceptance ; and so far as the nature of the acceptance is concealed, the ostensible character of the paper will give it a fictitious security.

#### ASSIMILATED NOTES AND ACCEPTANCES.

Notes and acceptances are often assimilated to the foregoing character to facilitate the procurement of loans. Two merchants will exchange notes, and offer each others

notes at different banks, as business paper. Such notes are peculiarly hazardous, by reason that the insolvency of either of the parties will usually produce the insolvency of the other. Acceptances are exchanged in the same way, and possess the same element of danger.

#### KITING.

Sometimes a country merchant will draw on a merchant of New-York, and obtain thereon a discount at some country bank. The draft will have some months to run before it will become payable; but when it is payable, the New-York merchant will obtain the means of payment by drawing on the country merchant, payable some months thereafter, and getting a discount thereon in New-York. Such transactions are termed "kiting." They are practised on notes as well as on drafts, and by persons residing in the same place as well as at distant places. When practised by persons who live at a distance from each other, the operation is usually very expensive, by incidental charges of exchange and collection. Bankers should suspect the solvency of parties who resort to expedients so expensive and commercially disreputable. The real character of the transactions is rarely avowed by the parties implicated in the practices; but a vigilant banker will soon suspect the operations, and not touch them, unless the security can be made very ample.

#### DUMMIES.

A country produce dealer or manufacturer will sometimes place in New-York an agent on whom to draw; or he may connect his operations with some person there of no capital, whom he will use as an acceptor. Such acceptances are no better than the note of the country dealer.

They constitute, moreover, a hazardous class of paper, as you may rely somewhat on an assumed capital in the acceptors. Such methods are rarely practised, except by persons who want to extend their operations beyond the limit to which a real consignee would restrict them. No prudential limit exists with the dummy acceptor; hence the drawer is able to carry his operations to an extent unlimited, except by his own will, or his ability to find lenders; and thus predisposed, and supplied with the requisite machinery, men usually extend their speculations till they are overwhelmed in ruin.

#### VOID NOTES AND DRAFTS.

Notes and drafts, to be sold at a usurious discount, are often made by parties ostensibly solvent, but who are struggling to purchase a transient respite from bankruptcy, or to amend their fortunes by desperate enterprises. Banks are, therefore, usually reluctant to discount paper offered by brokers or other persons who are known to practise usury; and such paper is, by existing laws, void as against makers and endorsers, in the hands of even an unconscious holder. In New-York the defence of usury is so discreditable that few men avail themselves of it. In the country, people feel less fastidious in this respect; and any debt which can certainly be avoided by a plea of usury would be very apt to be uncollectable.

#### OF GAINS.

But the avoidance of loss is only a negation of evil. To make gains is the proper business of a banker; and as the principal source of legitimate gain is lending money, the bank must lend to the extent of its ability—erring on the side of repletion rather than of inanition; for a banker

knows not how far his bank can bear extension till he tries; hence, if timidity, indolence, or apathy, limits his loans in advance of necessity, he may injure the community by unnecessarily withholding pecuniary assistance, and injure the stockholders by unnecessarily abridging the profits. A banker must not, however, extend his loans regardless of the future, but, like a skillful mariner, he should see an approaching storm while it is an incipient breeze, and meanwhile carry all the sail that will not jeopard the safety of his charge; governing his discounts at all times by the condition of his funds, and his own prospective resources, more than by any reputed scarcity or abundance of money in other places and in other banks.

#### WHEN TO BE MODERATE.

If a banker can make reasonably good profits on his capital without much expansion, he may keep more restricted in his loans than a banker should who is less favorably circumstanced. Every banker must, however, remember that to be strong in funds and rich in profits, are natural incompatibilities; hence the more money a banker wishes to make, the poorer in funds he must consent to become. In banking operations, as in most other, wisdom lies in a medium between extremes; and if a banker can keep funds enough for practical safety, he had better forego excess of funds, and receive an equivalent in gains. A repletion of loans, if they are undoubtedly solvent, prompt, and short, will soon of themselves work a relief to the bank; but a paucity of loans cannot, by any process of its own, cure the scant profits of the stockholders. Banks are rarely injured, therefore, by an excess of discounts. When banks fail, their disaster proceeds from the quality of their loans, not from the quantity.

## THE KIND OF PAPER THAT A BANKER SHOULD PREFER.

No banker should keep his funds inactive when no better excuse exists therefor, than that the business he can obtain is not so lucrative as the business of some other place, or as his own business was at some other period. The legal rate of interest is so high that the voluntary forbearance of its reception, for even a short period, is ordinarily a greater evil than the reception of any common description of solvent loans. Any way, a banker who keeps his funds inactive, to await the offer of loans more lucrative than simply the interest of money, should be well assured that the future loans will be sufficiently lucrative to compensate for the forbearance. But no disadvantages of position must be deemed a sufficient apology for the assumption of hazardous loans. When no safe business offers, no business should be transacted by a banker who entertains a proper respect for himself, or a proper feeling for his stockholders. Gains may be impossible, but losses are measurably avoidable. If any location presents the alternative of no business, or great hazards, a banker is accountable for the choice which he may make between the two alternatives, and he is accountable no further.

SELECTION OF LOANS FOUNDED ON INCIDENTAL CIRCULATION  
AND DEPOSITES.

But, ordinarily, every banker is presented with more business than he can assume, and is enabled to select the more profitable and reject the less profitable. Money is sometimes borrowed to pay debts to a neighboring bank, or to a person who keeps his money deposited in a neighboring bank. Such loans yield no profit to the lender except the interest on the loan, hence they are not so profitable as loans to borrowers who will take bank notes of

the lending bank, and circulate them over the country in the purchase of agricultural products. While the notes remain in circulation, the bank is receiving interest on them from the borrower—interest not for the loan of money, but for the loan by the bank of its promises to pay money when demanded. So on a loan made by a bank to one of its depositing customers, the bank receives interest only on its promise to pay the borrowed money, when the borrower shall from time to time draw for the same. And when a deposit is thus drawn from a bank, the draft is not necessarily paid in money, but in bank notes which may obtain a circulation. This advantage is a usual attendant of the deposits of some customers, and makes their accounts doubly beneficial to a bank. Whether a depositor asks for more loans than his deposit account entitles him to receive, is a question whose solution depends on whether the bank can lend all its money to better depositing customers, or more profitably use it in loans for circulation. A banker should, however, estimate liberally the merits which pertain to a steady customer, not deciding on any proposed loan by the amount of the proposer's deposit at the time of the proposal, but by his antecedent deposits, which were doubtless made in reliance on the bank for a fair reciprocity of benefits. Competition for profitable customers exists among banks as eagerly as competition among borrowers for bank loans; hence, liberality to customers by a banker is as much a dictate of interest as of justice.

#### SELECTION OF LOANS FOUNDED ON THE PLACE OF THEIR RE-PAYMENT.

Notes and drafts discounted by country banks, and payable in New-York, Albany, Troy, and some other Eastern places, are payable in a currency whose value is enhanced

some half of one per cent. by the rate of exchange, which exists in favor of the East and against the West. As country banks never allow any premium in the reception of such paper, the benefit of the exchange is a strong inducement to a country banker for preferring loans thus payable, to loans payable at his own counter. Borrowers will often take advantage of this predilection, and make notes payable at New-York, as a means of obtaining a loan of a country banker. Notes thus made are rarely paid at maturity; hence, so far as a banker relies on their payment, and founds his business calculations thereon, they are hurtful. To the extent that he colludes with the maker and supplies him with funds, by which any such note can be paid at New-York, at a loss to the maker of the difference in the rate of exchange, the transaction is unlawful; and banking is not exempt from the ordinary fatality which ever, in a long course of business, makes honesty the best policy. To gain unlawfully must also be a poor recommendation to a banker, with any thoughtful stockholder; for if a man will collude to make dishonest gains for his stockholders, what security can the stockholders possess that he will not collude against them, to make dishonest gains for himself? A country banker may properly discount a note payable in New-York, when the maker's business will make New-York the most convenient place of payment, though the borrower's residence may be in the country; such is often the case with drovers, lumbermen, and some manufacturers. Transactions of this circuitous nature must, however, be spontaneous on the part of the borrower; for a note is usurious if, in addition to the receipt of legal interest, the banker superadds, as a condition of the loan, that it must be paid at a distant city, and consequently in a currency more valuable than that the lender received. But when such loans are

legal, and possess the best commercial character for punctuality and security, they are not always so advantageous to a country bank as notes payable at the country bank, and connected with the circulation of bank notes or with deposits. The force of this remark can perhaps be better seen in what follows :

#### SELECTION OF LOANS FOUNDED ON THE SALE OF EXCHANGE.

Banks can usually make loans to borrowers who will use the loan in purchasing from the bank a draft on New-York or other Eastern city, whereby the bank will obtain a premium on the sale of the draft, in addition to the interest on a loan. The operation becomes peculiarly advantageous to the bank when the loan is itself payable in New-York, for while the borrower pays in such a transaction, the half of one per cent. to the bank for a bank draft on New-York, he subsequently repays in New-York the borrowed money without receiving any return premium from the bank. But how lucrative soever such a transaction seems, banks can rarely transact profitably much of such business. Should the entire capital of a safety-fund bank of three hundred thousand dollars be employed in discounting drafts on New-York payable at three months from the time of discount, and should the bank pay therefor sight drafts on New-York, charging for them a premium of a half of one per cent. the bank could not pay its stockholders above six per cent. the year in bank dividends. To pay that much the bank would have to earn nine per cent. the year on its capital, as follows :

Dividend of six per cent. the year on \$300,000 is.....	\$18,000 00
Half per cent. to be paid to the safety-fund .....	1,500 00
Salaries, taxes, stationery, and other contingencies during the year, at the lowest calculation for such a capital,	7,500 00
Making a total which is equal to 9 per cent, on \$300,000,	\$27,000 00

Being just what such a bank would earn during a year, if it transacted no other business than the discount of drafts as above supposed. The calculation shows that the sale of exchange must be deferred to business which brings with it circulation or deposits. Brokers can deal in exchange, as well as banks, and banks should make loans predicated on the sale of exchange, for only so much as can be thus sold without impairing the ability of the bank to lend money for circulation, &c. The ability of a bank to lend for circulation is impaired by the sale of exchange, because such sales take the funds with which country banks redeem their bank notes; and no banker is willing to issue bank notes for circulation except in proportion to the amount which he possesses of redeeming funds.

SELECTION OF LOANS FOUNDED ON A COMMISSION FOR  
THEIR COLLECTION.

Banks often make loans that are payable at places where the payment is worth to the lending bank less than a payment at its own counter. But banks turn to a profit this disadvantage, by charging, in addition to the interest, a commission for collecting payment of the loans. Notes payable as above are given extensively by country merchants to the persons of whom they purchase goods, and the commission charged by banks for collecting the payment of such notes, varies according to distance, and the facilities which exist for making the collections; but whether a bank can make money by such collections, depends on the arrangements it is able to make: for instance, a bank at Buffalo may receive one per cent. for collecting a note payable at Utica, while a bank at Utica may receive one per cent. for collecting a note payable at Buffalo; hence, if the two banks can exchange this paper with each

other, each bank will be paid at its own counter, and gain the one per cent., without any inconvenience except the trouble of corresponding with each other, and the expense of postage. Every good banker endeavors to acquire correspondents of the character indicated, for, in banking, as in other business, competition keeps down profits; so that much gain is impracticable except as a result of good management.

SELECTION OF LOANS FOUNDED ON THE TIME THEY  
ARE TO ENDURE.

As every loan is usually attended with some advantage to the bank, in the ways we have explained, beyond the interest paid by the borrower, the sooner the loan is to be repaid to the bank, the more frequently will the bank be able to reloan the money, and obtain a repetition of the incidental advantages. Loans, however, that are not longer to run than sixty days must be discounted at the rate of six per cent. the year, interest, instead of seven, by all safety-fund banks; hence, when a safety-fund banker makes such loans, the incidental benefits must be sufficient to countervail this loss of interest, or longer paper will be more profitable.

TIME ESTIMATED WITH REFERENCE TO THE PROSPECTIVE  
WANTS OF A BANK.

As country banks are subject every spring and fall to a revulsion of their bank notes, every judicious banker will endeavor to so select the loans which he makes during a year, that large amounts of them will become payable at the periods when funds will be most needed. The paper which is selected for the future contingency, will be useful in proportion to its reliability; and paper payable in New-York or other Eastern cities, will be more useful

than any other. No rule of banking is more practically valuable than the foregoing.

TIME WITH REFERENCE TO PANICS AND PRESSURES.

As banking is liable to panics and pressures which may arise without being preceded by any long premonitory symptoms, a banker must invest his funds in short loans which measurably accomplish the feat that is proverbially impossible, "to have a cake and eat it at the same time:"—that is, by means of short loans, the bank keeps its funds always available within a short period, and yet keeps them always loaned out on interest. The banks of large cities are able to make loans payable on demand, or on a few days notice; while country banks possess no such opportunities, but are able usually to deposit their spare funds in some banks of Albany or New-York, subject to a repayment on demand, or on short notice; and in the mean time to receive on the deposit an interest of some four or five per cent. Such arrangements are peculiarly beneficial to country banks, as every country bank is compelled, by existing laws, to keep in New-York or Albany an agency for the redemption of its bank notes; and hence must keep funds in one of those cities. Experience, however, has painfully demonstrated, in a recent bank failure, that the convenience of an interest paying depository is not exempt from danger. The Legislature, in compelling country banks to incur this danger, has looked solely to the convenience of the public, and possibly estimated too lightly or disregarded the hazard to the banks.

A BANKER SHOULD ACQUAINT HIMSELF WITH THE PECUNIARY CIRCUMSTANCES OF HIS DEALERS.

What is every person's business is proverbially nobody's; hence the safety of banks depends less on boards of direct-

ors, than on some single person to whom the bank is specially confided, and to whom we have alluded under the name of *the banker*. He is to be always present, and always responsible, in his feelings and in public estimation, for the prosperity of the bank ; and for these services he ought to be well compensated pecuniarily, so as to stimulate his faculties to their best efforts. We mistake human nature when we expect great efforts from any man, and supply no direct motive therefor. The banker we have described will acquaint himself with the pecuniary circumstances of the dealers of his bank, and of their endorsers, and of all persons who, though not present debtors or endorsers, may probably become such. Persons enough will hasten to inform a banker when any of his debtors are become declared insolvents ; but such shutting of the stable door after the horse is stolen, is not the information that is useful to a banker. The information which is useful must be made while the person in question retains a reputation for solvency ; and the information will be valuable in proportion as "it scents any coming mischief in the far-off gale." To acquire information, some country bankers obtain extracts from the assessment rolls of the towns within the circuit of their dealings, such extracts including only the men of reliable property. Other bankers keep a book composed by themselves, of names, accumulated from day to day, of persons whose pecuniary position may interest their bank. Such a book may assume the form of an extensive alphabet, and the persons therein may be registered under the name of the town in which they reside. By this arrangement, when a banker is brought in contact with a person who resides, say, in Oswego, he can, by looking in his book, under the head of Oswego, see the names of his debtors, and obtain such information in relation to them

as the person from Oswego can supply ; and which information he can record against each name respectively. The information thus acquired may be revised by other informants, as opportunities may offer, and the banker must give to the whole such an interpretation as his judgment shall dictate. The record will be improved by noting the name of the person from whom the information is received, and the date of its reception, for the information will be reliable in proportion somewhat to its recentness, and to the character of the informant. In large cities where discounts are rarely made except to persons of the city, who are personally known to some of the directors, such a record may be useless ; but in country banking the borrowers and their endorsers are generally residents of remote places, and unknown, personally, in the locality of the bank. A country banker who should insist on a personal acquaintance with his dealers and their endorsers, would find his business restricted to a circle too small for the employment of his capital. In vain will such a banker insist that he ought not to make loans to persons of whom he possesses no knowledge ; the answer will be that he should acquire the knowledge. He is bound to know a sufficient number of persons to enable his bank to employ its capital advantageously. Every note, therefore, that he rejects for want of knowledge, is ostensibly a slight reproach on him, in cases where he has not a sufficiency of known borrowers, while every note that he rejects or accepts by means of his knowledge of the parties, is a tribute to his industry and vigilance.

A BANKER SHOULD, AS FAR AS IS PRACTICABLE, KNOW THE  
SIGNATURES OF HIS DEALERS.

The preceding remarks will show why country banks are specially liable to loss from forgeries. Moreover,

many of the makers and endorsers who deal with country banks write poorly, and their signatures bear but little internal evidence of genuineness, even when you are partially acquainted with the parties ; for the same person will write differently at different times, and especially with different pens and different qualities of ink ; and he varies these continually. Still the greater the danger, the greater is the caution which the banker must exercise. He must bring to the difficulty all the scrutiny of which the case is susceptible, or he will not stand excused for consequent losses. A comparison of any proffered signature with one that is genuine, though encumbered with difficulties as above explained, is a guide that should not be neglected ; and it is often the best that can be resorted to. Some bankers, therefore, keep a book, in which every person who frequents the bank inserts his name. The signatures should be placed alphabetically, to facilitate a future reference to them. The endorsers may never visit the bank, but when a note is paid, the names of the endorsers may, with the consent of the maker, be cut from the note, and pasted into the book in their proper order. In no very long time, a mass of autographs may be thus collected.

#### A BANKER SHOULD KNOW THE RESIDENCE OF ENDORSERS.

The law in relation to endorsers renders them liable on only due notice of the non-payment of the endorsed note. This avenue of loss is felt but seldom in large cities, but in the country it produces constant danger. A country banker, therefore, must know where endorsers reside, and usually the information can be obtained most readily when each note is discounted, and from the person who brings it for discount. The information can be written on the note under the name of the endorser, and it will serve as

a direction to the notary-public, should the note be protested for non-payment. The laws of our State required, formerly, that the notice of non-payment should be forwarded by mail to the post-office nearest to the residence of the endorser. This imposed on the banker a knowledge of postal locations that added much to the difficulty of his position. The law has since meliorated the difficulty, by rendering a notice sufficient, if directed to the town in which an endorser resides. When a banker desires to avail himself of this law, he had better comply literally with its conditions, and direct the notice "to the town of A"—thus showing that your letter is not sent to A, but to the town of A—leaving the particular post-office in the town (some towns have more than one) to the discretion of the postmaster, for whose errors you are not accountable. For instance, two or more post-offices are located in the town of Whitestown, and one of them is at a place called Whitestown ; hence, if you direct a notice " Whitestown," you designate a post-office, and it may not be the one which the endorser frequents. In such a case the notice would probably be deemed defective, and the debt would not be recoverable against an endorser thus notified ; but should you direct "to the town of Whitestown," you designate no post-office, and as you have performed all that the law requires, the endorser will be holden for the debt, in whatever part of the town he may reside.

#### A BANKER MUST KNOW THE PECUNIARY POSITION OF HIS BANK.

As a banker will lend to the extent of his ability, that he may make for his bank all the gains in his power, he must be well acquainted with the present pecuniary means and liabilities of his bank. He can keep on his table a summary showing the precise amount of his funds, and where

they are situated, and of what they are composed ; also an aggregate of his various liabilities. Such a summary, when corrected daily, or more frequently if necessary, will constitute a chart by which he will be able to judge whether he can lend, or whether he must retrench existing loans. The funds that will be adequate to any given amount of liability, a banker must learn by experience, embarrassed as he will be by a want of uniformity in the results of his experience at different periods. Every bank must be liable, momentarily, to demands for payment of its bank notes and deposits, beyond its present funds. Practically, however, if a banker has funds enough, day by day, to meet the requirements of the day, he has funds enough. "Sufficient for the day is the evil thereof," is a proverb peculiarly applicable to banking.

#### PROSPECTIVE RESOURCES.

But a banker must not be satisfied by knowing that his funds of to-day will be sufficient for the wants of to-day. He must possess a reasonable assurance that the same will be his position "to-morrow, and to-morrow, to the end of time." To gain this assurance, he ought to keep also before him one or more lists in detail of his prospective resources ; showing what notes and acceptances will be payable to the bank daily for some weeks or months ahead, and where they are payable. With such lists, and a knowledge of the reliability of the paper thus going onward to maturity, he will be able to judge whether his prospective resources will need the aid of his existing unemployed funds ; or whether he may loan them, and even extend his liabilities in anticipation of a prospective surplusage of resources.

## PROVISION FOR THE FUTURE.

By means of such lists as we have just described, should a banker discover that his existing resources will be small during, say, the month of June, he can aid the defect by discounting in the preceding May, April, or March, paper that will mature in June. By thus regulating prospectively his future resources, he can be always provided with funds. And that a banker may at all times be master of his resources, he should never promise prospective loans, or make loans with any promise of their renewal. The more he keeps uncommitted, the better will he be able to accommodate himself to future exigencies. Banking is subject to sufficient uncertainties without unnecessarily aggravating them by prospective agreements. A banker may be unable to fulfill such pledges, and be thus compelled to falsify his promises; or he may be able to fulfill them only at a sacrifice of the interests of his bank, and thus be placed in the unwholesome dilemma of injuring his personal character, or of preventing the injury by only a sacrifice of the interests of the bank.

## GENERAL SUPERVISION.

A banker is compelled to employ officers to whom he must entrust his vaults and their contents. Robberies are often committed by persons thus entrusted, and some such robberies have remained long concealed. The banker cannot be responsible for all such occurrences; still, vigilance can accomplish much in the way of security against mischances; and the banker is responsible for the exercise of all practicable vigilance. Robberies and frauds possess usually some discoverable concomitants. No man plunders to accumulate property that is not to be used. Its use,

therefore, which can rarely be wholly concealed, is a clue which a vigilant eye can trace to the plunderer. Nearly every plunderer is a prodigal, and may thereby be detected ; nearly every plunderer is needy, and should therefore be suspected. The banker should know human nature, and be able to trace effects to their causes, and to deduce effects from causes. To this extent he is answerable for the safety of his bank. The sentinel whose post happens to be surprised by an enemy, may escape punishment as a criminal, but he can rarely gain commendation for vigilance, or escape censure for carelessness.

#### OVER-DRAFTS.

To permit over-drafts is to make loans without endorsers, and without the payment of interest. It is, moreover, to empower a dealer to control your resources. No mode of lending money can be more inconsistent with all safe banking ; and it should never be permitted. Still, every man who keeps a bank account can draw checks for an amount exceeding his balance in bank ; nor can the banker personally supervise the payment of checks. A vigilant banker will, however, provide vigilant subordinate officers. "The eye of the master maketh diligent," says the Scriptures. An intelligent and careful teller will soon learn whom he must watch ; but after all precautions, an over-draft may be perpetrated ; and whether by accident or design, the bookkeeper should forthwith report to the banker the occurrence, and he must act thereon as his judgment shall deem proper.

#### ENFORCEMENT OF PAYMENTS.

No system of banking can escape the casualty of doubtful debts. Usually the most favorable time to coerce payments is when they first become payable. Then the debtor

had expected to pay, and if he is then in default, no certain dependence can be made on his subsequent promises. He is also usually less offended by a legal enforcement of payments when they are promptly enforced, and when he knows the creditor is disappointed by the default, than he is after the default has been tacitly acquiesced in by a long forbearance of coercive measures. Additional security, when necessary, can also be more readily obtained at the time of the default, than it can after the debtor is become reconciled by time to his dishonorable position. His credit is better now than it will be subsequently, and he can more readily now than subsequently obtain responsible endorsers. In relation to the extension of time on receiving additional security on a weak debt, any extension that is productive of security is a less banking evil than an insecurity; just as any protraction of disease that results in health, is a less physical evil than death.

#### ADHERENCE TO GOOD PRINCIPLES.

A banker will be often subjected to importunity by persons who will desire a deviation from the usual modes of banking. They will propose a relaxation of good rules, and allege therefor some pressing emergency; but if the relaxation involves any insecurity, any violation of law or official duty, the banker should never submit, even when the result may promise unusual lucrativeness to his bank. While a banker adheres with regularity to known forms of business and settled principles, providence is a guarantee for his success; but when he deviates from these, providence is almost equally a guarantee of disaster, both personal and official.

A BANKER SHOULD BEWARE OF PERSUASION, AND OF UNDUE  
PERTINACITY IN APPLICANTS.

Banking is a business and should be reciprocally beneficial to the borrower and the lender. When a borrower's business cannot yield the requisite reciprocity of benefit, he will often attempt to mend the defect by pertinacity of application, and by persuasions addressed to the directors of a bank, personally, as well as to the banker; and by servility and sycophancy. Such conduct is a strong symptom of some latent defect in the applicant's pecuniary position and the appliances should strengthen a banker in his refusal of loans, rather than facilitate their acquisition. Loans thus obtained rarely result favorably to the lender.

A BANK SHOULD BEWARE OF SPECULATORS.

No man is safe when engaged in a speculation, especially when the price of the article that he purchases is above the usual cost of its production. The speculator's intellect soon loses its control over him, and he will be controlled by his feelings, and they are unnaturally excited. He becomes monomaniac in the particular concern with which he is engaged. He will increase his purchases beyond all moderation, and at prices which he himself, when he commenced his purchases, would have deemed ruinous. Many banks are destroyed by such speculators. A bank will loan to them till its safety seems to require that the speculation must be upheld against a falling market; and the effort is made till the continued decline in prices ruins both speculators and sustaining bank.

A BANKER SHOULD KEEP INDEPENDENT OF ITS DEBTORS.

When a debtor arrives at a certain magnitude of indebtedness, he becomes the master of his creditor, who is somewhat in the position of Jonah when swallowed by the

whale. The debtor can say to a bank thus circumstanced, that to stop discounting for him will ruin him, and that his ruin will involve a loss of the existing debt. No prudent banker will be placed in such a position; but should any banker lapse into so sad an error, he will rarely mend his position by yielding to the proposed necessity for further loans. He had better brave the existing evil than yield to an argument which, if already too potent to be disregarded, will acquire additional strength by every further discount, and render his inevitable fall more disastrous to his stockholders, and more disreputable to himself.

#### ECONOMY.

The more a banker can reduce the amount of his contingent expenses the more easily will he make reasonable dividends of profit among his stockholders, without an undue expansion of loans, and consequent anxiety to himself. The income of a bank is an aggregate of only petty accumulations. The unnecessary expenditure of every hundred dollars the year, will nullify the interest on four ninety-day loans of fifteen hundred dollars each. The economy of which we speak is not any unjust abridgment of proper remunerative salaries to faithful officers and servants, who should, however, labor diligently and perseveringly in their vocations as men labor in other employments; so that the bank may economize in the number of its agents, instead of economising in the magnitude of their salaries. A hundred dollars or a thousand, when contrasted with the capital of a bank, may seem a small matter, and probably bank expenditures are often incurred under such a contrast; but the true contrast lies between the expenditure and the net percentage of a bank's gains. A bank whose net income

will not exceed the legal rate of interest, possesses no fund from which to squander. And banks often expend an unduly large part of their capital in architecture to ornament the city of their location, or to rival some neighboring institution whose extravagance ought to be shunned, not followed. No person has yet shown why banks should be built like palaces, while the owners of the banks are, to a good extent, poor, and live humbly. The custom is, perhaps, founded on the delusion of deeming a great capital identical with great wealth. When several men, for any purposes of gain, unite their several small capitals, they may well need a larger building and more agents than each man would require, were he unassociated ; but that the association can afford an organization increased in splendor as much as in magnitude, is a fallacy somewhat analogous to the blunder of the Irishman, who, hearing that his friend intended to walk forty miles during a day, said that he would walk with him, and then they could walk eighty miles.

### PART III.

#### THE MAN.—HE SHOULD BE WARY OF RECOMMENDATIONS.

When solicited by a neighbor or a friend, few men possess vigor enough, or conscientiousness enough, to refuse a recommendation, or to state therein all they suspect or apprehend. They will studiously endeavor not to make themselves pecuniarily responsible by any palpable misrepresentation ; hence they will so qualify the recommendation that it will admit of a construction consistent with truth ; but the qualification will be so enigmatical or subtle that the banker will not interpret it as the recommender will show subsequently it ought to have been inter-

preted. Besides, the man who merely recommends a loan acts under circumstances that are much less favorable to caution than the man who is to lend. When we are in the act of making a loan, our organization presents the danger with a vividness that is not excited by the act of recommending. To speculatively believe that we will suffer the extraction of a tooth is a wholly different matter from sitting down and submitting to the operation. Suicide would be far more common than it is if a man could feel when the act was to be performed as he feels when he only prospectively resolves on performing it. This preservative process of nature no banker should disregard, by substituting any man's recommendation for the scrutiny of his own feelings and judgment at the time when the loan is to be consummated; though he may well give to recommendations all the respect which his knowledge of the recommender may properly deserve.

#### HE SHOULD BE GOVERNED BY HIS OWN JUDGMENT.

By acting according to the dictates of his own judgment, a man strengthens his own judgment as he proceeds; while a man who subordinates his judgment to other men's is continually debilitating his own. Nothing also is more fallacious than the principle on which we ordinarily defer to the decision of a multitude of councillors. If fifty men pull together at a cable, the pull will combine the strength of one man multiplied by fifty; but if fifty men deliberate on any subject, the result is not the wisdom of one man multiplied by fifty, but, at most, the wisdom of the wisest man of the assemblage; just as fifty men, when they look at any object, can see only what can be seen by the sharpest single vision of the group. They cannot combine their vision, and make thereof a lens as powerful as the sight of

one man multiplied by fifty. A banker may, therefore, well resort to other men for information; but he may differ from them all, and still be right; any way, if he perform the dictates of his own judgment, he performs all that duty requires; if he act otherwise, he performs less than his duty. "Let the counsel of your own heart stand," says the Bible; and by way of encouragement, it adds, that a man can see more of what concerns himself than seven watchmen on a high tower.

## FINALLY.

As virtue's strongest guarantee is an exemption from all motive to commit evil, a banker must avoid all engagements that may make him needy. If he wants to be *more* than a banker, he should cease from being a banker. Should he discover in himself a growing tendency to irritability, which his position is apt to engender, let him resist it as injurious to his bank and his peace; and, should he find himself popular, let him examine whether it proceeds from the discharge of his duties. A country banker was some few years ago dismissed from a bank which he had almost ruined, and was immediately tendered an honorary public dinner by the citizens of his village, into whose favor his misdeeds had unwisely ingratiated him. The service of massive plate, that was given to a president of the late United States Bank, was in reward of compliances which soon after involved in disaster every commercial interest of our country. Could we trace actions to their source, these mistakes of popular gratitude would never occur. The moroseness that we abhor, proceeds often from a sensitiveness that is annoyed at being unable to oblige; while the amiability that is applauded, proceeds from an imbecility that knows not how to refuse.

A banker should possess a sufficiency of legal knowledge to make him suspect what may be defects in proffered securities, so as to submit his doubts to authorized counsellors. He must, in all things, be eminently practical. Every man can tell an obviously insufficient security, and an obviously abundant security; but neither of these constitute any large portion of the loans that are offered to a banker. Security practically sufficient for the occasion is all that a banker can obtain for the greater number of the loans he must make. If he must err in his judgment of securities, he had better reject fifty good loans than make one bad debt; but he must endeavor not to err on the extreme of caution, or the extreme of temerity; and his tact in this particular will, more than in any other, constitute the criterion of his merits as a banker.



## EULOGY ON A BODY CORPORATE.\*

THE Ontario Bank was incorporated March 13, 1813, and soon thereafter commenced business at Canandaigua. The Legislature, on the 15th of April, 1815, authorized it to establish a branch, which commenced business at Utica, December 26, 1815. The corporation was originally to endure till June, 1833, but the Legislature of 1829 extended its existence to the 1st of January, 1856, when it must expire; and, as you and I have been connected with it from its origination, except its first six years, you, as autocrat of the Bank at Canandaigua, and I somewhat so of the branch at Utica, I desire to sketch its history, as due to you, its *primum mobile*, and that haply the Bank in its example may, "though dead, yet live."

\* Published June, 1855, and addressed to Henry B. Gibson, Cashier of the Ontario Bank Canandaigua.

For many years the corporate capital (\$500,000) was equally divided between both offices, but since November, 1843, three hundred thousand dollars have been located in the branch, and two hundred thousand dollars in the mother bank. The first dividend of profits was paid May 1, 1814, and dividends have been paid semi-annually ever since ; each office contributing thereto ratably, after paying its own taxes, salaries, and other expenses of every kind ; issuing also separately its own bank-notes, and providing funds for their redemption. One omission, however, of a half-yearly dividend occurred in 1819, on an untoward occasion, which caused my appointment to the branch in September of that year, and your appointment to the mother bank a month or two subsequently. You were wholly unknown to the directors at Canandaigua, who acted therein on my judgment, an event of which our learned and venerable friend, the Hon. Daniel Appleton White, of Salem, Mass., says : "I have similar grounds to exult at as John Adams had at having nominated Chief-Justice Marshall to the United States bench." The responsibility we severally undertook was not small. The corporation was prostrate in credit, and literally a ruin. I forsook no employment for my new post, and therefore hazarded only my reputation ; but you were at New-York, in mercantile business, and had already acquired thereby \$30,000—a large accomplishment we then thought, though it equals in amount only about half your present established annual cash income ; acquired, too, not by making other men poorer, but by varied operations that benefited all their instrumentalities.

We omitted, in May, 1837, one other dividend, by compulsion of the Legislature, on the suspension of specie payments throughout the Union ; but on the day the law

terminated, May 16, 1838, our corporation paid its stockholders ten per cent. for the suspended year. In that suspension of specie, our two institutions were among the last in the State that submitted to a necessity originating elsewhere; and at a convention of bankers from all parts of the Union, held in New-York some months after the suspension, our corporation said, through us, as its delegates: "If we designate a day for the resumption of specie payments, persons may say that the designation is to frustrate the sub-treasury bill; and if we adjourn without designating a day, we may be suspected of striving to create a National Bank. The dilemma in these suspicious times may be inevitable, but if our decision shall conform to our moral and legal obligations, its propriety may protect us from misconstruction. We are urged to continue in suspension, lest the public suffer a pecuniary pressure; but, threatened, taunted, and despised as we are, for not complying with our obligations, no person will believe that we continue dishonored to protect the public which thus threaten, taunt, and despise us. Duty, therefore, in this case, as in most others, is our best chance for safety." The convention, however, adjourned without designating any day, but the banks of the State met subsequently, and I had the honor to draft a resolution which was adopted, and on which specie was resumed on the first of May then approaching. On the banks of the city of New-York rested the whole burden, expense, and danger of the resumption, which seemed almost hopeless of permanency, while other cities, especially Philadelphia, continued suspended; but time justified the measure, and the resumption became permanent, gradually extended over the Union, and has been unbroken ever since.

The total profits which our corporation will have paid to

its stockholders on the first of January next, will be four hundred and eleven per cent. ; equalling seven per cent. interest the year on the capital, from its investment in 1813, and, in addition,  $\$5,951\frac{80}{100}$  on every thousand dollars of stock ; provided the stockholder shall have kept the excess of dividends invested at compound interest from its reception. Should he have kept thus invested the seven per cent. interest also, the whole would amount, with the capital, to  $\$23,286\frac{80}{100}$  for every thousand dollars of original investment. The calculation is predicated on compounding annually, though no reason exists why the owner should not have compounded semi-annually as the bank paid the dividends. On looking at a thousand dollars thus enlarged by the slow process of legal accumulation, we can see why prudent perseverance is usually successful ; and that men who jeopard their capital to acquire wealth suddenly, are usually only re-enacting the old fable of killing the bird that, if preserved, would have laid daily, for ever, a golden egg. The dividends, too, have been paid at different localities near the respective stockholders, who have been so little troubled that perhaps one cannot be found out of Canandaigua, and few therein, who has ever voted on his stock even by proxy, or known who conducted the two banks except by the names on the bank-notes. The corporation has relieved, also, every stockholder from the personal payment of all taxes on his invested capital, and has paid some fifty-five thousand dollars extorted by the safety fund. The stockholders, however, should know that one dividend of twenty per cent., paid on the whole capital in November, 1843, was paid exclusively out of the surplus earnings of the office at Canandaigua ; and, while the disclaimer may wound the susceptibilities of some whom it honors, I cannot resist saying that, though the dividend

was a surprise on the stockholders, it was preceded by no effort of any knowing director or official to buy up the stock from unwary holders; though custom has much blunted public morals to such quasi-peculations.

In the aggregate of dividends, I include ten per cent. (it may be twelve) that will be paid on the first of January next; and this, also, with the exception of some two per cent., will be the sole earning of your office. Your superior acquisitions for our stockholders my self-love has sometimes attributed to your location, but, as I am now at confession, I admit that the difference in our pecuniary gains is only a sample of our general history, verifying the proverb, that those who best manage their own affairs, are the best managers of the affairs of other people; for when you were appointed to the bank at Canandaigua, I was worth just double your property, and now the proportion between us continues exactly the same, but the disparity is reversed, being in your favor.

During your long administration, you have never been counselled or ordered by your board, as to what you should do or leave undone, or whom you should trust, or the securities you should accept. I have been equally uncontrolled, though I have spontaneously written to you weekly our progress, and half-yearly stated our debtors. No committee ever visited me; no proceedings were ever criticised, and my directors were always appointed on my sole nomination. You and I, though sympathizing in the service of the same stockholders, subject to the same hopes and fears, and affected by the same good and evil, have, during the long period of our connection, met personally but three or four times, and then casually, briefly, and at long intervals; and never deliberated with each other on our business. Still I have always known that had my re-

sults been adverse to the stockholders, you would have detected the delinquency, and that no regard for me, though we have known each other from our youth, and you have said often you feel towards me as a brother, would have restrained you from exercising whatever painful duty the interests of the stockholders would have required. So as regards your board at Canandaigua, one of whom, the Hon. John Greig, your President, I have known well for nearly half a century, courteous as he always is, and as sensitive towards the feelings of others as of his own honor, yet vigilant in pecuniary operations, acute in legal knowledge, and inflexible in integrity, had he and his compeers seen that your being uncontrolled was accomplishing evil to the stockholders, they would have been anything but passive.

I never saw your board but once, and for a half hour, twelve years ago. They were the men who, in 1813, procured the charter, and had been commissioners to distribute its stock. They had grown old with the bank, several very old, and all were reposing in affluence, some in princely magnificence, on life's toils well accomplished. They presented a permanency of position unusual in our country. Those who have left the Board since, have died out; those that remain meet weekly as of yore, not to borrow—they owe nothing—but to supervise gratuitously the business they have undertaken for stockholders, whom time has scattered over our State, and in Europe, California, Illinois, Michigan, Massachusetts, Connecticut, and Rhode-Island; but who mostly are the widows and the descendants, male and female, collateral or lineal, in the second and third generation, of the original subscribers, or their early transferees. Not a few, however, are the first holders, venerable as the institution, and I hope as vigorous; the whole repre-

senting great social eminence, and including individuals who compute their single property by millions.

I have withheld this sketch of our corporation till our branch, acting under an Act of the Legislature passed therefor last winter, has completed its organization for a renewed and independent career, lest a suspicion might be excited that the sketch was colored to suit that object ; and I am sore tempted to withhold it permanently, lest the new organization, judged by the record of its progenitor, suffer in some future contrast. Modern improvements have, however, remedied many of the hazards to which country banking was exposed. We formerly depended on casual stage-coach passengers, often strangers, for transmission among their luggage of all our cash remittances to Albany and New-York. When any accidents, and they were frequent, delayed unduly mail announcements that our packages had arrived safely, we have suffered paroxysms of anxiety which our uniform exemption from actual loss failed to modify, and which time scarcely terminated before they were renewed by a repetition of the unavoidable hazard. From the sparseness, too, of population, our borrowers resided remote from the bank, often hundreds of miles, without our personal knowledge of their habits or pecuniary solvency, rendering depredation on us by forgery and false representations without any means of certain prevention.

The first of January is, however, near, and our entire capital of five hundred thousand dollars will, on that day, be returned to its owners on demand, with the benediction of Shakspeare's Prince Henry :—

“ ———There is your crown ;  
And He who wears the crown immortally,  
Long guard it yours !”

neither institution having a deferred debt or one of doubtful security or unmanageable magnitude ; nor has either had any such debt for many years. Indeed, the total losses of both offices during the nearly forty years of our administration are almost literally nothing ; including forgeries, over-drafts, frauds, or accidents of any kind. Our success I attribute much to our rigid adherence to banking in its utmost simplicity, relying little on our wits and much on our industry ; soliciting no business as a favor, and conferring no loans as a gratuity ; not over-straining our discounts so as to endanger a resort to expensive shifts in the procurement of funds, and not seduced to receive hazardous paper by any prospect of unusual gains.

The return of capital to the stockholders will relieve you from all further connection with banking, and my active duties therein will be transferred to one more vigorous than I am, and better organized and educated than I ever was for its cares and requirements. Mohammedan nations possess a tradition that Solomon was blessed with a treasurer named Asaph, whose established vigilance repressed all attempts at imposition. When Asaph died, the Hebrew sovereign kept the event secret, and, causing the body to be stealthily embalmed, replaced it in the treasury, where it seemingly presided as usual and with continued success. My future position will partake somewhat of this character, and what I lack of the reputation of Asaph, I shall endeavor to make up in active supervision.

We, several years ago, inspected a bank whose cashier told us he had been an honest man till he became a banker. He would have better expressed his case by saying, he had been honest till tempted to dishonesty ; banking no way leading to dishonesty, except as the fairness of the forbidden fruit led to its violation. He subsequently wrote

me that our detection had saved him from suicide. We retire with happier feelings. I find nothing to regret, though, were the same duties to be re-enacted, I should relax more than was my wont from the stern requirements of abstract justice with dealers whose notions of mercantile punctuality were, as farmers, and followers of other uncommercial avocations, necessarily imperfect. You are, perhaps, more fortunate than I, even in this particular; though I suspect we both have, in our formation, a spice of impatience which our positions fostered rather than repressed. Uniform, also, ourselves, in health and pecuniary prosperity, we could not, perhaps, always allow sufficiently for the short-comings of physical debility and pecuniary mischances. Yet what we meted to others, we measured to ourselves. The corporate capital we in no instance employed to reward our friends or annoy our enemies, or to gain property or popularity for ourselves; but giving to our offices our whole time, and the whole energies of our minds, bodies, and feelings, we accepted therefor a fixed salary, in amount very moderate in the sight of all men. Finally, shielded by the great example which I am about to quote, we may, I fondly believe, on the surrender of our trusts, say to our stockholders and to the world, with reference to the pecuniary interests we have so long managed, as the prophet Samuel said on the termination of his greater duties: "Whose ox have I taken, or whose ass have I taken? Whom have I defrauded, or of whom have I received any bribe to blind my eyes therewith?" And the response must be as in the case of the prophet: "Thou hast not defrauded us nor oppressed us, neither hast thou taken aught from any man's hand."

*Ontario Branch Bank, Utica, June 1, 1855.*

## REVIEW OF "THE INTERNAL MANAGEMENT OF A COUNTRY BANK."\*

MUCH of the present work appeared in detached parts, for the last three years, in the London *Bankers' Magazine*. The author has now re-arranged the subject into a more methodical series, and has greatly enlarged the original text. The letters profess to be written to a young man of twenty-six years of age, who has been recently promoted from a clerkship to the management of a branch bank, in a country town. We do not recollect that the mentor has stated anywhere his own station or position, but we may infer, from his knowledge and advice, that he is supposed to be an old banker, and occupying the higher station of General Manager, which seems to be a term applied in England to an independent, or (as we should say in America,) a mother bank, in contradistinction to a manager of a branch bank, and who is hence styled a Branch Manager.

An acute English philosopher, Godwin, has said that Locke wrote on the Human Understanding, not by reason that he possessed more knowledge on the subject than other men, but that he possessed more knowledge by reason of his having written thereon. We may apply the same remark to the present treatise on banking, and whatever may have been the author's stock of banking knowledge when he commenced his letters, he has at least instructed himself into a degree of proficiency that must make his services uncommonly valuable in the important station he is said to occupy in a city which is secondary in England to only London. Except for this resulting benefit to a didactic author, we might well doubt how far literary

\* The Internal Management of a Country Bank. A series of letters on the functions and duties of a Branch Manager. By Thomas Bullion. 18mo., pp. 203. London.

occupation can be compatible with the absorbing duties of an active banker; but thus viewed and limited, we find that the two occupations aid rather than obstruct each other.

The author seems to have been governed by two distinct objects: to instruct a young banker in the duties of his profession, and to instruct commercial men how to deal with banks, so as to obtain the proper banking aids, which alone can result advantageously to themselves and to banks. In both these undertakings the author has been eminently successful. His instructions are given in language so plain, and in a style so lucid, that a single ambiguity cannot easily be found in the whole book; while the arrangements are so natural that a distinct understanding of the subject cannot be avoided by the most casual and hasty reader. The author has clearly understood what he has sought to impart, (an attainment not universal,) and to this, probably, more than to any great elaboration, we may impute the success which has been attained.

Till reading this work we were not apprised of the great difference that exists between the modes of country banking in England and in this country; and we are inclined to think that the book can impart to us a knowledge of these differences, to a very interesting extent; and thus yield, to the American reader, a useful purpose wholly unexpected to the author, and unappreciable by an English reader, to whom the usages referred to are already known. And though our modes of business are greatly different from much that is detailed in the book, yet the prudential motives inculcated, with reference to English transactions, are all applicable to our transactions; and the human nature which the English banker has described, will assail the American banker in some modes essentially the same as it

has to be encountered by the English banker. An American banker, for instance, will not meet with approaches precisely like the following ; but he will meet them in some other shape, in which they will be equally troublesome :—

“It may, as you state, be a trial to your feelings to have to refuse an advance to a gentleman of excellent family and disposition, with whom, probably, the previous day you have dined, and with whom you are in the habit of constant and friendly intercourse. But this is on the hypothesis that a banker is entitled to *have* feelings, which, however, the best authorities distinctly deny. ‘Business is business,’ they will tell you ; and there is no more occasion for the exercise of ‘the feelings’ in declining to lend a gentleman money without security, than in declining to make a bet, or go a voyage, or make a tour with him, or anything else that is simply inconvenient. It may be an amiable weakness to think and act otherwise ; but if a bad debt, or a series of them, is to be the price of this amiability, the sooner your disposition is soured the better. I would remark, further, that the gentleman who places you in the unamiable position of having to refuse his cheque, is himself the aggressor. And, as by that act he shows no respect for your feelings, it does not appear upon what ground you are called upon to show any unusual tenderness for his.”

We find, incidentally, that the absence of usury laws in England, on commercial paper, results in a banking difficulty, which is never experienced by us, where the rates of discount being established by law, no man expects a deviation therefrom, except under some peculiar circumstances. In England an agreement about the rate seems to be the rule of business, rather than the exception ;—it seems also

to afford a criterion whereby a banker is enabled to form a judgment of the solvency of his dealer—for instance:—

“The *rates of discount* levied latterly upon Barnes’ bills were exorbitant, as compared with the prevailing rates of the day. I infer from that, that upon this point he had become indifferent—a deadly symptom of incipient insolvency. When the customer becomes regardless of the *interest* on his account, let the banker look well to the *principal*. No man doing a business which renders him largely dependent upon procuring discounts, can well become indifferent to the rates of discount, until he has reached that point when the question with him is not one of discount and commission, but of mercantile existence. When a man asks you, therefore, in ordinary times, to discount certain bills for him, and to ‘charge what you like,’ be sure he is tempting you by a higher premium than ordinary, to a more than ordinary risk. I believe I entertain as hearty a dislike to the whole tribe of ‘screws’ as I have heard you frequently and vigorously express; but better endure a half-hour’s huxtering over the discount on a good bill, than a whole year’s remorse over the lost principal of a bad one.”

The word “currency” seems to be used in England with a different meaning from that which it signifies here, where it ordinarily means the circulating medium of the country,—the money that will pass without a discount. In England it means the period which a bill has to run before it becomes payable—thus:

“I allude to the *currency* of bills. Now, whatever the state of the money-market may be, a banker will prefer a short-dated bill to one of longer currency—and for obvious reasons. In the first place, the risk is less. In the ordinary course of things, more firms will give way in six months

than in three. I say it with respect; but there is always a better chance of the first house in England standing for three months than for six. In the next place, the banker could, for every bill at six months' date, discount two at three months' date within a given period; and so make his resources doubly available to his customers. If you have a certain sum that you can prudently lay out in discounts, and you select for this purpose bills not exceeding three months' currency, it is obvious that, at the expiration of the three months, you have the same amount to invest again; whereas, if you were to lock it up in the discount of six month's bills, double the space of time would elapse before you were in a position to repeat the operation. The result for the year would be, supposing your capital available for discounts to be £50,000, and that you invested it in the shorter-dated bills, that you would turn this capital over four times within the year; whereas, by selecting the longer-dated securities, you would turn it over twice only. In the one case, your discounts to parties would amount to £200,000 per annum; in the other, to only half that sum."

Accommodation drafts are one of the dangers of English banking, as they are of American banking, and with the further disadvantage in England, that they appear to be taken there without endorsers more frequently than they are by our inland bankers. The shrewdness with which a practiced banker will detect them, amid all the disguises with which their true character is sought to be concealed, is thus portrayed:—

"It is true that the instrument has the appearance of a bill. It is formally dated from Mr. Bowdler's place of residence, drawn at three months' date, and humorously accepted by David Starkey, payable at his banker's in London,—David, however, being as innocent of 'keeping a banker' in London as the banker thus honored is of the

faintest knowledge of Mr. David Starkey. I admit, then, that it has the appearance of a bill of exchange—just as a bad shilling has a spurious resemblance to a good one. But do not hope to palm off such a document in the money market as a bill representing an actual business transaction, be it ever so dexterously ‘got up.’ Let it be drawn, if you will, for an amount much less than the stamp will cover, (a rare case with this class of bills). Instead of an even sum in pounds, let it be drawn for a sum in pounds, shillings and pence, (a case equally rare,)—let even the value received be an express one, (flour, bullocks, or malt, for example,) in a word, draw it as you will, it is still Bowdler on Starkey—‘Pig upon Bacon’—to the comprehension of the meanest capacity in the bill market. If you doubt this, and ever have occasion to send a batch of bills to your broker for discount, just try the experiment of inserting here and there, in the remittance, (quite promiscuously of course) a few choice bills of the Bowdler species; and they will be picked out with a certainty and cunning amounting to intuition, and either sent you back direct, or civilly ‘set aside to wait your further instructions.’ There is as little hope of their escaping the detection of a practiced eye, as there is of one of her Majesty’s light sovereigns passing muster at her Majesty’s receipt of customs.”

The book abounds with excellent rules and pungent maxims, for the conduct of a banker under every emergency, and for a right estimate of every species of business, and every kind of banking security; and were we to undertake to quote all that is interesting and useful, we could not quote less than the whole book. We, however, are particularly pleased with an incidental remark to the young banker, that he should “beware of the notion that what he chiefly owes to himself is an earnest seeking after salary.

It may and will come as an effect of good conduct, but it should never be the cause of our good conduct." This may be deemed somewhat transcendental, but we are certain it abounds in wisdom. When God asked Solomon to choose what should be given him, he did not ask for riches or long life, but simply for wisdom, that he might rule wisely. The wisdom which he thus obtained brought with it, as a necessary consequence, both riches and long life ; and we may find continually in every department of life, that selfishness is more likely to defeat than to gain its end ; and that the surest means of prosperity is a faithful fulfillment of our duties, and with as little direct selfishness as possible. We agree, therefore, entirely with our author when he says :—

"In fulfilling the duties you owe to your clients, on the one hand, with undeviating fairness, and to your directors on the other, with invincible rectitude, you best fulfill the few duties you owe to yourself."

We also like the following :

"And sometimes next in importance to a duty itself is the *manner* of its fulfillment. You will not invariably be the messenger of glad tidings from your directors to your clients ; but an unpleasant communication need not be embittered in its effects by harshness in the mode of its delivery. You have to intimate, perhaps, to Mr. Smith, that the trifling accommodation applied for by that gentleman, and transmitted to the directors for approval, cannot be granted. The fact very probably is, that Mr. Smith is not trustworthy for the advance, but there is no absolute necessity that you should tell him so. Without impugning his credit to his teeth, the refusal will be galling enough to a man of sanguine disposition—and of this description I should say are all who apply for impossible advances."

We shall close our notice of this truly valuable and suggestive book by a couple of anecdotes in relation to a country bank in England, under the operation of a run for specie. The extracts are interesting, by reason that we have nothing in our country precisely similar. Our country banks are never run for specie; all that is required of them is to pay by sight drafts on the commercial city of the State in which the country bank is located. The Atlantic banks are, however, occasionally subjected to such runs, but very rarely; and, acting in concert with each other, a solvent bank can always pay, except in times which cause a general suspension of specie payments by all the banks.

The writer remarks:—

"The only individual in the community, indeed, who cannot with impunity request a creditor to call again to-morrow, is the banker. Not that he gets payment of the debts owing to him with less trouble than other people; on the contrary, the banker is about the last person that a trader—particularly if he is in contemplation of bankruptcy—thinks of paying. Nevertheless, custom so rules it, that the banker shall pay his debts, principal and interest, whenever called upon to do so; and if he shall fail to do this, the *Gazette* is too good for him.

"It is in vain that a thousand channels of intelligence have again and again conveyed to the public ear the fact that you and all other bankers do not hold the whole of your deposits, in the shape of bank notes or gold, in your tills; and that to enable you to pay interest upon them, you have lent out the greater portion in making advances, and discounting bills, in the support and development of the trade of your district. The answer will be, that this may be all very true; that they, your depositors, are par-

ticularly sorry, but that—they want their money, and must have it.

"But never despair, nor exhibit the slightest trepidation during the fiercest run, because nothing could be more fatal. If those who come first, see that you are excited and alarmed, they will not fail to conclude that there is grave cause for your alarm, nor will they fail to tell their neighbors so wherever they meet them; and thus possibly a run, that a little coolness might have averted, may be turned into a rush that will overwhelm you."

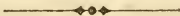
But the anecdotes:—

"During the panic of 1847, the manager of a remote branch of a joint-stock bank called his accountant aside after the close of business one afternoon, and addressed him in terms something like these: 'Now, Mr. —, you see how matters stand. I am off to head-office for more cash. You must work the branch through to-morrow somehow—I give you *carte blanche*.' And he did wisely. His accountant had just that sort of coolness, with a dash of audacity in it, fitted for such emergencies. There was a great rush of depositors with their receipts for payment the next day. He told them (quietly mending his pen the while) that he was very sorry, but a recent order of the directors was imperative—'No deposit to be taken *or paid* short of ten days' notice.' The manager, if he were at home, which he would be to-morrow, might, perhaps, break through the rule; but as for himself, he was only a clerk, and couldn't afford to lose his situation. And he didn't.

"During the same panic, a cashier in the head-office of one of the banks which were then run upon, had a check presented to him for payment, of an amount which he actually had not funds in the till to meet at the moment. He, therefore, with a daring humor, wrote in the corner of the

check 'no funds,' which was true enough in one sense—seeing there were no funds in the bank to meet it—and dishonored the check. The transaction caused the withdrawal of a fine account, but it saved the bank.

"One other anecdote, and relative to the same period, and I quit the subject. The manager of a certain branch found himself, at the close of business, one arduous day, with little over £50 in his till, whilst it was impossible, before afternoon of next day, to increase his reserve. His accountant, a quick-witted fellow, before starting for head-office, quietly locked the cash safe (keeping the fact to himself), put the key in his pocket, and took it with him, rightly judging that it would be better for the manager next day to meet his depositors with no money and a good excuse, than with a beggarly £50 and no excuse at all. The *ruse* succeeded. The manager had no difficulty in showing what he really felt, namely, a good deal of uneasiness, and the locksmith vainly laboring for hours to pick the impracticable lock, completed the illusion. The depositors, full of sympathy for the manager, with one accord agreed to call again in the afternoon, which they did, and their demands were satisfied."



#### REVIEW OF "THE PHILOSOPHY OF JOINT STOCK BANKING."\*

IN England banking was conferred in 1708, as a monopoly, upon the Governor and Company of the Bank of England; but individuals, and partnerships of not more than six members, were permitted to act as bankers. The re-

\* The Philosophy of Joint Stock Banking, by G. M. Bell. 18mo., pp. 105. London.

striction on the number of partners was removed in 1826 (after a persistence therein of one hundred and eighteen years), except that it was still retained in London, and in a circuit of country extending sixty-five miles around the city; and except further, that the enlarged partnerships were prohibited from issuing bank-notes payable in London, or from drawing bills thereon for a smaller sum than £50. Still, for this small relaxation of its monopoly, the Bank of England was compensated by a permission to establish branches in any part of England; and it accordingly soon opened branch banks in every principal town, "much to the dissatisfaction and annoyance of country bankers, who could not compete with the branches in lowness of discount, or other facilities that the branches were able to give."

In 1833 the Bank of England's monopoly was further relaxed by a removal of the restriction which had prevented country banks from issuing notes payable in London, and from issuing drafts thereon for less sums than £50; and we infer that the restriction was removed which had prevented the establishment in and around London of banking partnerships composed of more than six members, for Mr. Bell says, "the first Joint Stock Bank established in London was in 1834." In other parts of England, joint stock banking commenced in 1826, and Mr. Bell's banking career commenced about simultaneously, for his book was published in 1840, and he says it is "the result of fourteen years' personal experience of Joint Stock Banking, in the successive offices of cashier, accountant, branch-manager, and sub-manager."

The gradations thus classified seem like retrogressions rather than promotions, for in our banks the cashier\* is

\* An English cashier seems to be the functionary whom we call teller—the person who pays checks and counts deposits.

usually the highest executive officer, while an accountant is inferior in grade to several persons ; but Mr. Bell's gradations were, doubtless, upwards, and we thence infer that he belongs to the class of distinguished persons whom we in America estimate fondly as self-made men, in contradistinction to men who attain honorable stations by favorable parentage, wealth, or other accidental advantages. With us, a self-made man holds the relation to a hereditary man that a good seedling fruit-tree holds to a grafted tree. While the grafted tree is yet a sapling, we know the flavor, size, and other qualities which will pertain to its fruit ; but the seedling may produce fruit that will surpass every known variety. So a man reared amid affluence, and graduated at some good university, is a graft, of whom, while yet a youth, we may predicate what dogmas he will know at manhood, and what thoughts and aspirations will be exhibited by him ; but a man who collects information casually, who originates his own thoughts, makes his own expedients, and develops his ethics from his own experience and reflections, is a seedling who may excel in all desirable characteristics. Our Franklin was a seedling, our Fulton, and our best statesmen, soldiers, merchants, mechanics, and inventors, are, to a great extent, seedlings—excepting always our literati, who, as a class, are all grafts from English stocks, to some one of which every poet, essayist, novelist, and historian can as easily be traced as you can trace a golden pippin.

Mr. Bell's "Philosophy of Joint Stock Banking" is divided into chapters which, at successive periods of leisure, were originally published separately as leading articles in one of the London journals, and in the year 1840 were collected by the author and published in their present form. Banking literature was commenced earlier in England than in

our country, where we have but recently begun to know that any such branch of literature exists; hence the present book, which otherwise might be deemed old, is substantially new. Nothing is more encouraging to speculative investigation than the expansibility which every subject seems capable of attaining. Astronomy and geometry are but fair examples of the vast volumes which can be intellectually elaborated from the most simple premises; for nothing is more simple than the glimpses we can attain of the sun, moon, and stars, that are the foundation of astronomy, or the curves and angles that are the foundation of geometry. Thought on any subject produces thought; hence a compound progression attends all our intellectual labors, and renders the exhaustion of any study impossible. Banking literature promises to constitute no exception to the general principle. Its cultivation in our country we owe primarily to the Magazine whose pages we are employing, and which, with a kindred publication in Boston, is benefitting American bankers by enabling them to learn speculatively the business processes that were formerly known only practically. Had a man to select whether his knowledge of any business should be exclusively practical, or exclusively speculative, he might well select practical knowledge as more available for his maintenance; but a man's business practices are improved by pondering on them speculatively; and the means which exist for thus pondering may be classed among the improvements of our remarkable era. Nearly every industrial pursuit is become the subject of speculative investigation in some periodical publication which is devoted to the given subject; and we find published in the City of New-York, "The Turners' Companion," "The American Agriculturist," "American Artisan," "American Architect," "The

Tailors' Eclectic Repository," and kindred magazines and journals on numerous other handicrafts. Franklin's old proverb, "he who by the plow would thrive, must either hold the plow or drive," is improved by the addition: "he who by the plow would thrive, must toil in thought as well as drive."

But while we would urge men of every occupation to work intellectually, we would caution them against the common error of itinerant lecturers, who, in recommending intellectual culture to mechanics and merchants' clerks, estimate nothing as intellectual but literature. Literature is employed in academies and colleges as means for developing the intellect of youth, hence probably proceeds the vulgar error that nothing is intellectual but literature. Without the application of his intellect, no man can become a good tailor, blacksmith, banker, or merchant, but he may become eminently intellectual in either of these employments with almost no literature. Indeed, the great difference which is discoverable in artisans of the same craft proceeds from the different degrees in which they apply their intellects to their several pursuits. Practice will make perfect, as the proverb asserts, but practice must be directed by the intellect, or the perfection which the proverb promises will apply only to facility of execution, not to excellence of quality. In every city the work of some one shoemaker is superior to the work of all competitors. The like may be said of hatters, tailors, ship-builders. Self-love whispers to the indolent that such differences among men are organic; but in all organic physical differences, as the height of men, their muscular strength, &c., the differences are trivial. We shall, therefore, accord best with the analogies of nature when we attribute to different degrees of intellectual application,

rather than to organization, the differences which we discover in men's business productions. John Jacob Astor owed his great success in life to great intellectual efforts in all matters pertaining to his several employments, but he was so illiterate as to misspell very common monosyllables. Men of muscular toil are often informed of the literary attainments of some "learned blacksmith," and are urged to acquire similar accomplishments; but a literary blacksmith is as little likely to become a good blacksmith, as the literary pig, exhibited formerly in London, was likely to become good pork.

But Mr. Bell says, that a bank manager may, without disadvantage, "be a man of great erudition, and of literary and scientific eminence." Mr. Bell knows, being himself distinguished in these attainments; yet we will venture to assert that, ordinarily, a man will be none the worse banker, perhaps some the better, for confining his intellectual studies to his business. The best writers on law, medicine, and surgery, have always been skillful practitioners in their professions, while persons who busy themselves in a literature disconnected from their active business, are rarely very prosperous in their business. English banking is not without its example, for the banker who attained celebrity in Italian literature, was unsuccessful as a practical banker.

Mr. Bell's book proves, however, that his devotion to literature has not interfered with his banking usefulness; for though his main design, which he has ably accomplished, is to explain the business of banking to uninitiated readers, his book is full of detail that must be instructive to the most practiced banker. The general principle he has evolved, is, doubtless, true everywhere: that "the entire security and whole system of banking rest upon manage-

ment." Nearly every other business requires only the application to it of some definite means to obtain some fixed end, while banking must constantly contend against every new artifice by which ingenuity may hope to elude vigilance ; consequently, nothing is sufficient for the security of a banker, but a vigilance as comprehensive and versatile as the possibility of attack.

To American readers, with their present enlightenment on the subject, Mr. Bell's book is principally valuable for the insight which it yields into the social customs and business operations of England, and their contrast with ours. A man, for instance, who controls a bank, is, with us, an autocrat, towards whom the community in which he is situated are wont to evince the gratitude which flows "from the expectation of future benefits." Even his directors are often as dependent for perpetuity of station on his carefully accumulated proxies, as he is on their voices ; with one advantage on his side, that while they must act aggregately before they can displace him, he acts on them segregately, as they severally become applicants to the bank for loans, or need his proxies to continue them in office ; hence when the book deprecates for the bank manager, that he shall be treated "with the respect and friendship of the directors, by whom he should be considered in every respect (as far as regards the bank) at least upon an equally elevated footing with themselves," we involuntarily smile as we picture to ourselves the Magnus Apollo of some one of our Wall-street two-million banks, deprecating the respect of his Board ; or more ludicrously still, we think of President Biddle, as he once arrived in New-York from Philadelphia, laden with bank post-notes, and made a kind of triumphal progress through Wall-street, like "Cæsar, with a Senate at his heels."

But the bank manager in England possesses an advantage over us, when he turns from his board to a portion of his dealers, as we find by the following: "How often has the fear of being seen by the watchful and reproofing eye of his banker, deterred the young tradesman from joining the company of riotous and extravagant friends? How often has it kept him from the tavern, the club-room and places of public amusement and dissipation? What has been his anxiety to stand well in the estimation of his banker? Has it not been a subject of concern with him to be found regular in attendance on his business, keeping intercourse only with persons of respectability and good conduct? Has not the frown of his banker been of more influence with him than the jeers and discouragement of his friends? Has he not trembled to be supposed guilty of deceit, or the slightest misstatement, lest it should give rise to suspicion, and his accommodation be, in consequence, restricted or discontinued? Has not the prudent advice and admonition of his banker opened his eyes to the reckless and ruinous course which he may have been unwittingly pursuing? And has not that friendly advice been of more value to him in a temporal and moral point of view than that of his relations—or, very possibly, of his priest?"

We believe, also, nothing like the following is true of our bankers:—

"It is an unquestionable fact, that a large proportion of the customers of every bank are more or less under obligation to the bank for temporary or permanent advances; and, as a matter of course, it is their individual inclination and interest, by all possible means, to stand well in the estimation of their banker. To do anything contrary to what may be supposed the wishes of that functionary, would ac-

cordingly be very far distant from the mind of any man who had an overdrawn account, or who required occasional accommodation upon a bill. The banker, fully aware of this mighty influence which he necessarily enjoys over his customer, has not unfrequently exercised it for political, as well as other purposes; and were scrutinies to be made of the result of election contests, it would be found that in many districts the successful candidate owed no small part of his majority to the interest and influence of the banks, though it might sometimes happen, on the other hand, that the minority was swelled by the like rival interest."

In the State of New-York every bank must transact its business at its own counter, with only one ancient accidental exception in favor of the Ontario Bank of Canandaigua, which, possesses, till the year 1856, the power to maintain a branch bank at Utica. In England, however, and Wales, four hundred and forty-five branch banks were, in the year 1839, owned by one hundred and three joint-stock banks, and so entirely reasonable is the power there deemed, that Mr. Bell says, "as well might the Legislature enact that a merchant should confine himself to one place of business, or that a ship-owner should trade only to one port," as prevent a bank from establishing branches. But all men seem not of the same opinion, even in England; for, when evidence on the subject was taken before a committee of Parliament, we find, "one banker is entirely opposed to branches, another considers that they ought to be within the distance of an easy day's ride, to and from the parent bank: a third is inclined to think the distance should be limited to one, or, at most, two counties; while a fourth asserts that no difficulty exists in managing branches at a distance of two hundred miles and upwards, from the head office."

The power to create branch banks at will, has occasioned the following discrimination in the names by which English banks designate themselves :

"Many of the joint stock banks are distinguished by the name of 'district banks,' as the Manchester and Liverpool District Bank, the Yorkshire District Bank. These names indicate that those banks have been formed for the purpose of supplying the advantages of a good system of banking to the Manchester, and Liverpool, and Yorkshire districts, respectively ; and that offices or branch banks are opened in subordination to the head bank, in different towns throughout those districts of country. Other banks are distinguished by the name of 'provincial,' as the Provincial Bank of England, and the Provincial Bank of Ireland, indicating that those establishments are severally for the purpose of diffusing a well organized system of banking throughout the provinces of England and Ireland. Other establishments, again, are designated by the different quarters of the kingdom in which they are located, as the East of England Bank, the North of England Joint Stock Bank, implying that their operations are limited to those quarters."

A joint stock bank, in England, seems to be only a species of private partnership, rather than an incorporation of many natural persons into one artificial person, as a bank is with us. The company is formed on "a deed of settlement, which prescribes the duties devolved upon the directors, and invests them with the power and privileges necessary to the full discharge of those duties." The organization is completed by the procurement of a "license given by Act of Parliament," but the object of the license seems merely fiscal, enabling the bank to compound for issuing bank notes without stamps, and subserving some

other purposes connected with the revenues of Government.

The essential difference between such a bank and ours, consists in the limited liability of our bank stockholders, while in theirs, "the joint stock banks being, with a few exceptions in Scotland, unchartered companies, and there being no restriction as to the liability of the shareholders, each shareholder is liable to the public creditor to the last farthing of his property."

We commend the following to a numerous class of persons who seem to think that banking is the distribution of favors to needy friends or necessitous merit, and hence feel aggrieved when they are not supplied with loans, irrespective wholly of the banking merits of their applications :—

"A banker is one who deals in money. This money is his merchandise, which his duty and interest require him to buy and sell to the best advantage." "A merchant engaged in trade, procures his stock at as low a price as possible, and sells again at the best price he can persuade the public to give him, the difference being his profit, or loss, as the case may be. A banker acts on the same principle. He lends out his capital on the highest terms he can get."

The following description of a bank director is, we trust, drawn from life :

"A bank director should be a man of strict integrity and uprightness. This is a quality perfectly indispensable to the welfare of the bank. He must be above all trafficking in the stock of the Company, or taking any undue advantage over the other shareholders, through his intimate knowledge of the state of their affairs, as regards the bank. He must never, for a moment, forget, that while he is a

partner in the concern, and, as an honest man, is bound to conduct it in as faithful and diligent a manner as he would his own private affairs, that he is at the same time appointed to a solemn trust, in having the interests of numerous others, equally interested with himself, under his management and control. In fact, unless the director of a bank is a man of strict integrity, he is placed in a position calculated to be productive of great mischief. He is invested with power to ruin the fortunes of others, and to inflict much commercial evil upon the community. Where there is a want of integrity, there is a want of capacity, and the bank must necessarily be mismanaged."

We fear, however, that English human nature is not much better than American, for Mr. Bell thinks—

"It would be a most wholesome regulation, were it stipulated in all deeds of settlement, that no bank director should be privileged to overdraw his account. The great facilities which directors enjoyed of raising money from overdrawing their bank accounts, have, in some instances, resulted in extensive commercial disasters, and in the total wreck of large establishments. The temptation to speculations of all descriptions which such facilities hold out, necessarily increases the risk of the bank, and induces no rigid inspection of the accommodation afforded to other customers. Where those who are entrusted with the management of the bank forget the extent and importance of the trust reposed in them, and begin to enter into unwarrantable speculations with the funds committed to their care, it is not supposable that they will be particularly scrupulous as to the general management pursued by others."

Mr. Bell's book abounds with excellent observations, and we have quoted only from portions of it that we think least

known to our readers. With the same design we will close our too brief review of so valuable a book, by some extracts from his chapter on re discounts ; for, though the practice is not resorted to by our country banks as extensively as it seems to be by English banks, yet re-discounts are practiced, and we do not remember to have ever before seen the subject discussed on its banking merits :—

“ A bank whose capital is either not commensurate with its business, or imprudently invested, becomes dependent, in a large measure, upon re-discounts. The facilities which exist for this, are chiefly confined to London bill-brokers. Few banks have any arrangements with those houses for permanent or stated advances, nor might such engagements be at all times convenient for either party. Banks therefore, which are in the position alluded to, are often put to incredible inconvenience from the caprice and disobliging manner of bill-brokers. The remedy for this is obviously for a bank to confine its operations within the prudent limits of its own capital. To conduct a large business with a small capital, and depend on the London market, or even its own credit with other establishments, for the re-discount of bills, is a very unsound and unsafe system, and altogether an error in banking. The bank that is under the necessity of constantly re-discounting its London paper, however large may be the profits it is enabled to divide among its shareholders, is evidently laboring with too small a capital. In fact, wherever large dividends are declared, there can be no doubt the bank is working on too small a capital. The official returns made by joint stock banks show that numerous establishments in the manufacturing and mining districts possess very inadequate capitals, and the same fact is revealed by the large quantity of paper bearing the endorsement of these banks kept constantly afloat in the money market.

"It is perfectly practicable for a bank to confine its operations within its own available capital so as to avoid recourse to the discount market, and it is at all times desirable that this should be practiced, though it is not at all times convenient, nor in all cases profitable. But no bank, whose chief business is that of discounting bills, being at the same time a bank of issue, can be considered secure with a small capital. The very process of re-discounting, which is the great source of its profits, multiplies its obligations with such amazing rapidity that the liabilities of many small banks in this way would be incredible, were fact, and the process by which it is accomplished, less familiar to the community. It is not a sufficient argument against this statement, that if a bank is to hold these re-discounted bills as liabilities, they are entitled to take credit for them as assets. As a matter of accounting, this is doubtless correct; but as affecting the stability of the bank, the matter must be contemplated in a different light. The risk which the bank runs is multiplied in proportion to the amount of bills re-discounted. A bank with a capital of £40,000, having bills running to the amount of £300,000, would have its whole capital swept away by a percentage of loss that would not be ruinous on its original discounts. Now it cannot be doubted that this statement represents the condition of numerous banks in the manufacturing and mining districts. The system is evidently unsound, and such establishments cannot be too strongly urged to call up more capital. These observations are not intended to discountenance or throw discredit upon the system of re-discounting. Many banks are known to look upon it with apprehension, as being a system fraught with danger. It is well for them if they are so circumstanced as to realize a reasonable profit without this adventitious

aid. The absurd and dangerous extent to which it is in some cases practiced, is what is here objected to."

We cannot conclude, however, without saying, that, how hazardous soever re-discounts may be in England, the reliance on them is very hazardous with us. Some years since, one of the large banks of New-York was prosecuted for damages in refusing to discount for a country bank according to a written arrangement which it had previously entered into. We know, also, a country banker who had made, without charge, large inland collections during two years for a New-York bank, on the condition that the country banker should obtain, when he desired, discounts to the extent of \$20,000; still, when the discounts were demanded, a pressure existed, which induced the New-York bank to repudiate the agreement. These examples are quoted, not to impute any delinquency to the banks of New-York, but to exhibit specimens of the condition to which business is occasionally liable in New-York, (our best money market,) and the consequent hazard to country banks of relying for funds on re-discounts, even when fortified by explicit assurances. The full stomach loathes not the honey-comb more proverbially, than a struggling city bank loathes a needy country correspondent, who is urging his stale claims for discounts, and thereby attempting to add new burthens to a load which is already too great to be borne by the city bank without the most painful apprehensions.

# REVIEW OF SCHOOLCRAFT'S "RESIDENCE OF THIRTY YEARS WITH THE INDIAN TRIBES ON THE AMERICAN FRONTIERS."\*

THIS book is inscribed to A. B. JOHNSON, of Utica, with whom, in 1810, the author made his first excursion to the West, preparatory to the manufacture of window-glass by a hundred-thousand-dollar corporation, just created by the New-York Legislature. Mr. Schoolcraft alone possessed any knowledge of glass-making, and to him, with a salary of a thousand dollars a year, was confided the planning of all necessary buildings, contracting for their erection, originating the furnaces, procuring raw materials, governing the artisans, disbursing the expenditures, manufacturing the glass, and preparing it for market. But few manufactories of window-glass existed in the United States, and their absence was painfully apparent in new settlements by window-sashes disfigured with rude substitutes for glass. This state of the country caused the stock of the corporation to be owned by patriotic citizens; and among the most active and influential of the corporators was the Hon. John Greig, who resided in Canandaigua, and who is still there, the foremost citizen in all that is praiseworthy; illustrating strikingly, by his eminent social position, the scriptural promise, that "He who watereth shall be watered again."

The bank of Seneca Lake, a mile from Geneva, was selected for the new establishment. Forest timber covered the site; but in about three months glass was manufactured for market, and a small village had been erected for the workmen. Mr. Schoolcraft was only seventeen years old; and this reveals his early character as unmistakably as the

agricultural productions of a country reveal its climate. He was precocious generally, being an expert draftsman, mature penman, with a respectable knowledge of chemistry and mineralogy, while ethically he was exempt from the irregularities which ordinarily accompany youth. We happened to know him intimately at this period, and these remarks result from that intimacy, not from the book, in which his residence at Geneva, and its important incidents, are modestly referred to in a dozen words.

The author's early expectations, and the pervading tendency of his feelings, were toward a devotion of his life to a sedentary cultivation of literature and science. But Providence "shapes our ends, rough-hew them as we may;" and Schoolcraft compares more with Ledyard for activity than with any other American whose records have interested the world. During thirty years he was an active explorer of the unsettled portions of our territory, when the great lakes and rivers of the West were traversed only by canoes. In one of these excursions he traced the Mississippi to its source, the source being previously deemed problematical; Pike, in 1806, having placed it at Leech Lake, and Cass, in 1820, at Red Cedar Lake. He was efficiently instrumental in directing public enterprise to the copper regions of Missouri, and in disclosing the general topography of the Mississippi valley, and the regions of the lakes. In no other book is the wonderful progress of our country, in population and industry, so strikingly apparent. We find the author conjecturing the business capabilities of places which, in less than twenty years thereafter, are populous cities; and in the year 1830, he makes one "of perhaps the first party of pure pleasure, having no objects of business of any kind, who ever went from the upper lakes to visit Niagara Falls."

But the principal interest of the memoirs consists in what pertains to the Indians, among whom the author, during much of the thirty years, acted as agent of the United States. Official station, and his having married a highly educated half-breed grand-daughter of an Indian chief of the vicinity, yielded him unsurpassed advantages for ascertaining the habits of the Indians, their traditions, customs, knowledge, language, superstitions, and opinions generally. The whole information passes into the possession of the reader incidentally, rather than doctrinally; the memoirs constituting a journal of what the author saw and heard, whereby the mass glides before the reader like the contents of a diorama which is being gradually unfolded, every incident introducing naturally its successor. The author avoids the common error of narrating only his intellectual reflections; he gives you the raw, sensible materials, wherefrom every reader can make his own reflections. The raw material is also of a kind which is daily becoming more difficult to collect; the unsophisticated Indian and his antiquities, language, customs, and traditions being already defaced by time, and fading fast from existence. Nothing could have been more providential than the residence among the Indians for thirty years of such a person as Schoolcraft, and at such an epoch. Before his day, men have passed their lives among the Indians, but not like him have they, for thirty years, devoted a vigorous intellect and discriminating judgment in collecting useful information, with no hope of reward but to instruct contemporaries, and to be kindly remembered by posterity. We may well say, with Hamlet, "You cannot feed capons so;" nor can you feed men so, except the occasional self-denying literary enthusiast.

The memoirs are, however, only a highly condensed

summary of a thirty years' daily collection of facts ; not a detail of items. Many of the items have already been published, Mr. Schoolcraft being one of our most voluminous authors, as well as one most widely known in Europe and at home. What has not been thus published, he is preparing for publication, as a great national work, under direction of the Bureau of Indian Affairs, by virtue of an Act of Congress, passed in March, 1847. One large luxurious volume, in folio form, and elegantly illustrated by S. Eastman, Captain in the U. S. Navy, has just issued from the press, entitled, "Historical and Statistical Information respecting the History, Condition, and Philosophy of the Indian Tribes of the United States." The human intellect acquires details most readily, by first acquiring a knowledge of them in gross : hence the present memoirs, though published after many volumes of detail, ought to be read first ; just as the journal of our late State Convention is an advantageous precursor to a study of the Constitution which the Convention formed.

We cannot close our too brief notice of these interesting memoirs, the chart of a laborious life, without saying that, although we have known the writer favorably for more than forty years, our respect for him is greatly increased by the perusal of this book. He has consorted early and long with public officers, not greatly his official superiors originally, but now high in authority, and prospectively to become still higher—perhaps the highest. For the sake of science, for the sake of literary industry and good example, we trust that the eminent citizens to whom we have alluded, will, as a privilege of their exaltation, crown Mr. Schoolcraft's latter days with some station at Washington, in the line to which he has devoted his life, and where his knowledge may be made available to the country in the highest

station to which it is congenial. We know not that his feelings will respond acceptably to this suggestion, and it may shock his delicacy; but we are sure that "righteousness exalteth a nation," and that nothing is more righteous than to reward unobtrusive merit.

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